Immigration bill; to the Committee on Immigration and Naturalization.

1426. By Mr. WELSH: Memorial of Philadelphia Board of Trade, favoring the enactment of House bill 4517, establishing in the Bureau of Foreign and Domestic Commerce a foreign commerce service of the United States; to the Committee on Interstate and Foreign Commerce.

SENATE.

FRIDAY, *February 29, 1924.*

The Chaplain, Rev. J. J. Muir, D. D., offered the following prayer:

Our Father, we bless Thee for the continuance of Thy grace unto us and for all the mercies with which Thou dost crown our days. We humbly beseech of Thee to direct our ways this day. May we find ourselves glad to do Thy will, always seeking not only the welfare of others but the glory of Thy great name, and may the example of Him who went about doing good be to us an inspiration and guidance continually. We ask in the name of Jesus. Amen.

NAMING A PRESIDING OFFICER.

The Secretary (George A. Sanderson) read the following communication:

UNITED STATES SENATE,
PRESIDENT PRO TEMPORE,
Washington, D. C., February 29, 1924.

To the Senate:

Being temporarily absent from the Senate, I appoint Hon. GEORGE H. MOSES, a Senator from the State of New Hampshire, to perform the duties of the Chair this legislative day.

ALBERT B. CUMMINS,
President pro tempore.

Mr. MOSES thereupon took the chair as Presiding Officer.

THE JOURNAL.

The reading clerk proceeded to read the Journal of yesterday's proceedings when, on request of Mr. LODGE and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL.

Mr. LODGE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.

The principal legislative clerk called the roll, and the following Senators answered to their names:

Adams	Ernst	King	Robinson
Ashurst	Ferris	Ladd	Sheppard
Ball	Fess	La Follette	Shipstead
Bayard	Fletcher	Lenroot	Shortridge
Borah	Frazier	Lodge	Simmons
Brandegee	George	McKellar	Smith
Brookhart	Gerry	McKinley	Smoot
Broussard	Glass	McLean	Stanfield
Bruce	Gooding	McNary	Stanley
Bursum	Hale	Mayfield	Stephens
Cameron	Harris	Moses	Swanson
Capper	Harrison	Neely	Trammell
Caraway	Heflin	Norbeck	Underwood
Copeland	Howell	Norris	Wadsworth
Couzens	Johnson, Calif.	Oddie	Walsh, Mont.
Curtis	Johnson, Minn.	Pepper	Warren
Dale	Jones, N. Mex.	Pittman	Watson
Dial	Jones, Wash.	Ralston	Weller
Dill	Kendrick	Ransdell	Wheeler
Elkins	Keyes	Reed, Pa.	Willis

The PRESIDING OFFICER. Eighty Senators having answered to their names, a quorum is present.

MESSAGE FROM THE HOUSE.

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 2583) granting a franking privilege to Edith Bolling Wilson.

LEASES OF NAVAL OIL LANDS.

The PRESIDING OFFICER laid before the Senate a communication from the Secretary of the Interior, in further response to Senate Resolution 147, which was read, and, with the accompanying papers, referred to the Committee on Public Lands and Surveys, as follows:

DEPARTMENT OF THE INTERIOR,
THE SECRETARY OF THE INTERIOR,
Washington, February 29, 1924.

The PRESIDENT OF THE SENATE.

SIR: In further response to Senate Resolution 147, dated February 7, 1924, I have the honor to transmit herewith photostat copies, in triplicate, of papers in the Bureau of Mines covering the period from April 21, 1922, to February 7, 1924, inclusive.

Each copy comprises two parts; the first comprises three folders relating, respectively, to leases in naval petroleum reserve No. 2, numbered N. R. 21, N. R. 22, and N. R. 23. In each folder is a copy of the lease and the correspondence relating thereto. The second division of this information comprises 36 folders from our general correspondence files. Each folder covers a particular subject or phase, described on the first sheet of the folder.

Referring to the letter from the Secretary of the Senate, dated February 8, 1924, paragraph (d), which reads as follows: "* * * and all contracts for drilling wells on naval oil reserves, date and terms of same, reasons therefor, and the number and date of the drilling of wells on private lands adjacent to oil reserves"; it is believed that the information requested in the first part of the above paragraph will be found in the accompanying papers and those previously submitted to the committee.

The Bureau of Mines does not have information as to the dates of the drilling of wells on private lands adjacent to oil reserves.

Very truly yours,

HUBERT WORK.

PETITIONS AND MEMORIALS.

Mr. KEYES presented a resolution unanimously adopted by members of the congregations of the Congregational and Baptist Churches of New Ipswich, N. H., favoring an amendment to the Constitution regulating child labor, which was referred to the Committee on the Judiciary.

Mr. ERNST presented a petition of the committee on immigration of the National Society, Sons of the American Revolution, in the State of Kentucky, favoring the passage of legislation restricting immigration, which was referred to the Committee on Immigration.

Mr. LADD presented a resolution adopted by members of Missouri Valley Local, No. 387, Brotherhood of Railway and Steamship Clerks, Freight Handlers, Express and Station Employees, in the State of North Dakota, favoring the enactment of legislation granting adjusted compensation to veterans of the World War, which was referred to the Committee on Finance.

He also presented the petitions of W. N. Burington and 61 other citizens of Wheelock, of E. Bylin and 60 other citizens of Tioga, of J. M. Vorachet and 26 other citizens of Conway, and of F. A. Foley and 17 other citizens of Rolla, all in the State of North Dakota, praying for an increased tariff duty on wheat and the repeal of the drawback provision and the milling-in-bond privilege of the Fordney-McCumber Tariff Act of 1922, which were referred to the Committee on Finance.

He also presented the petitions of Andrew Tinglestad and 84 other citizens of St. John, of H. E. Rutter and 57 other citizens of Michigan, and of E. S. Stone and 61 other citizens of Leeds, all in the State of North Dakota, praying for the repeal or reduction of the so-called nuisance and war taxes, especially the tax on industrial alcohol, which were referred to the Committee on Finance.

He also presented the petitions of E. Stubson and 43 other citizens of Warwick, of Charles Johnson and 12 other citizens of Reynolds, of W. P. Hetter and 18 other citizens of Esmond, and of H. A. Lansrud and 38 other citizens of Heimdahl, all in the State of North Dakota, praying for the passage of the so-called Norris-Sinclair bill, providing aid to agriculture, which were referred to the Committee on Agriculture and Forestry.

Mr. WALSH of Montana presented the following joint memorials of the Legislature of Montana, which were referred to the Committee on Indian Affairs:

UNITED STATES OF AMERICA,
State of Montana, ss:

I, C. T. Stewart, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of senate joint memorial 1, enacted by the extraordinary session of the Eighteenth Legislative Assembly of the State of Montana, and approved by Joseph M. Dixon, governor of said State, on the 2d day of February, 1924.

In testimony whereof I have hereunto set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this 5th day of February, A. D. 1924.

[SEAL.]

C. T. STEWART,
Secretary of State.
By CLIFFORD L. WALKER,
Deputy.

Senate joint memorial 1, introduced by Greening.

To the honorable Senate and House of Representatives of the United States of America in Congress assembled:

Whereas the Legislature of the State of Montana on February 26, 1921, by legislative enactment accepted the provisions of the act of Congress of June 4, 1920, granting to the State of Montana certain lands on the Crow Indian Reservation on condition that the Crow Indian children may be permitted to attend the public schools of said State on an equality with white children; and

Whereas such public schools admitted said Crow Indian children in September, 1921, without any additional income to meet the necessary expense incident thereto except that derived from a proportional apportionment of income from the State fund amounting to $5 or $6 per child, or about 5 per cent of the per capita cost of instruction; and

Whereas school facilities for both white and Indian children in the region affected have been gravely curtailed and a heavy burden of additional taxation has been imposed upon the taxpayers by this governmental action; and

Whereas such injustice and injury to the residents of that section was unintentional and is due to the fact that the additional income contemplated has to date amounted to nothing whatsoever and may not be expected for some years either to the local districts upon which the sudden and disproportionate burden is imposed or to the State as a whole: Therefore be it

Resolved by the Legislature of the State of Montana, That the Congress of the United States be respectfully memorialized to grant to the Indian Bureau authority to pay tuition to the school districts affected in conformity with the general practice of paying tuition for the children of noncitizen Indians of other tribes in Montana and elsewhere until the entire load can be equitably thrown upon the said districts without injustice and injury to the Indian and white children resident therein; be it further

Resolved, That copies of this memorial be transmitted by the secretary of state to the President, the Secretary of the Interior, and to the United States Senators and Members of Congress.

NELSON STORY, Jr.,
President of the Senate.
CALVIN CRUMBAKER,
Speaker of the House.

Approved, February 2, 1924.

UNITED STATES OF AMERICA,
State of Montana, ss:

I, C. T. Stewart, secretary of state of the State of Montana, do hereby certify that the following is a true and correct copy of an act entitled "A memorial to the Congress of the United States asking for appropriations to continue construction work on the Flathead irrigation project and on all the other Federal irrigation projects in the State of Montana," and enacted by the eighteenth extra session of the Legislative Assembly of the State of Montana and approved by Joseph M. Dixon, governor of said State, on the 2d day of February, 1924.

In testimony whereof, I have hereunto set my hand and affixed the great seal of said State.

Done at the city of Helena, the capital of said State, this 5th day of February, A. D. 1924.

[SEAL.]

C. T. STEWART,
Secretary of State.
By CLIFFORD L. WALKER,
Deputy.

House joint memorial 1, introduced by Brandjord, to the Congress of the United States, asking for appropriations to continue construction work on the Flathead irrigation project and on all the other Federal irrigation projects in the State of Montana.

To the honorable Senate and House of Representatives of the United States in Congress assembled:

SECTION 1. We, the Eighteenth Legislative Assembly of the State of Montana, assembled in special session, the house and senate concurring, do hereby respectfully call your attention to the following facts relating to Federal irrigation projects in this State:

"1. Good faith on the part of the Federal Government toward each and all of the thousands of settlers who have homesteaded on the Flathead project, who have paid the Government for the land, established homes thereon, and patiently waited for irrigation water for 10 years or longer, demands a speedy completion of the project. The slow progress of construction on this project, due to irregular and insufficient appropriations, coupled with the dire distress besetting agriculture in the Northwest, has starved away from the project hundreds of the original homesteaders, and so impoverished others that they are now unable to make the fullest use of irrigation; but surely these sad circumstances, largely due to neglect on the part of the Government, do not justify the Government in further delay in furnishing water for all remaining settlers, who must have it in order to make a living. Good faith with these settlers demands continuous construction.

"2. The Indian Service and the Bureau of Reclamation have recommended an appropriation of $300,000 for this project for the 1925 fiscal year, and the program of construction they have agreed upon includes laterals for 7,000 acres for which no irrigation water is now available. (See CONGRESSIONAL RECORD, January 10, 1924, top of page 805.) Hundreds of people reside on this area.

"3. In spite of the difficulties besetting settlers on this project, they show a splendid record in the payment of water charges. Up to January 4, 1924, the white settlers on the project have paid a total of $124,800 in water rentals. (See statement of Chief Clerk of Reclamation Service in CONGRESSIONAL RECORD, same date and page as above cited.) This shows that they use water and pay for it.

"4. Spasmodic prosecution of reclamation works inevitably results in greatly increased cost, involving waste of Government funds and additional burdens on agriculture. Economy demands continuous construction. (See argument of the Hon. L. C. CRAMTON on this point, CONGRESSIONAL RECORD, January 10, 1924, page 802.)

"5. While irrigation projects do not, as a rule, bring immediate and direct returns to the Government, they enlarge the productive area of the country, add to its permanent resources, and increase the strength and greatness of the whole Union. The building of irrigation projects is the building of empires."

SEC. 2. In view of these considerations, we, the Eighteenth Legislative Assembly of the State of Montana, do hereby respectfully petition that the Congress of the United States do appropriate for the Flathead irrigation project for the 1925 fiscal year not less than $300,000, being the sum recommended by the Indian Service and the Bureau of Reclamation, so that continuous and economical construction may be insured. We also pray that sufficient appropriations be made for all other Federal projects in Montana to insure continuous construction, and that no appropriation for these projects be reduced below the amounts allowed by the Bureau of the Budget.

SEC. 3. It is hereby directed that the secretary of state of the State of Montana transmit certified copies of this memorial to the President of the Senate and the Speaker of the House of Representatives of the United States and to our Senators and Representatives in Congress.

CALVIN CRUMBAKER,
Speaker of the House.
W. S. HALEY,
President pro tempore.

Approved, February 2, 1924.

REPORTS OF COMMITTEES.

Mr. CAPPER, from the Committee on Claims, to which were referred the following bills, reported them severally without amendment and submitted reports thereon:

A bill (S. 131) for the relief of W. Ernest Jarvis (Rept. No. 180);

A bill (S. 335) for the relief of John T. Eaton (Rept. No. 181);

A bill (S. 648) for the relief of Janie Beasley Glisson (Rept. No. 182);

A bill (S. 2168) for the relief of David C. Van Voorhis (Rept. No. 183);

A bill (S. 2219) for the relief of the legal representatives of the estate of Alphonse Desmare, deceased, and others (Rept. No. 184);

A bill (S. 2220) for the relief of Louise Saint Gez, executrix of August Ferré, deceased, surviving partner of Lapene & Ferré (Rept. No. 185); and

A bill (S. 2562) for the relief of William Hensley (Rept. No. 186).

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 709) for the relief of the Commercial Pacific Cable Co., reported it with amendments and submitted a report (No. 187) thereon.

Mr. BALL, from the Committee on the District of Columbia, to which was referred the bill (S. 746) providing for the development of hydroelectric energy at Great Falls, reported it without amendment and submitted a report (No. 188) thereon.

Mr. SIMMONS, from the Committee on Commerce, to which was referred the bill (H. R. 4577) providing for the examina-

tion and survey of Mill Cut and Clubfoot Creek, N. C., reported it without amendment and submitted a report (No. 189) thereon.

Mr. CAMERON, from the Committee on Military Affairs, to which was referred the bill (S. 514) authorizing the Secretary of War to grant a right of way over the Government levee at Yuma, Ariz., reported it with an amendment and submitted a report (No. 190) thereon.

Mr. BAYARD, from the Committee on Claims, to which was referred the bill (S. 964) for the relief of William J. Ewing, reported it with an amendment and submitted a report (No. 191) thereon.

Mr. STANFIELD, from the Committee on Claims, to which was referred the bill (S. 2357) for the relief of the Pacific Commissary Co., reported it without amendment and submitted a report (No. 192) thereon.

Mr. PEPPER, from the Committee on the Library, to which was referred the joint resolution (S. J. Res. 43) in relation to a monument to commemorate the services and sacrifices of the women of the United States of America, its insular possessions, and the District of Columbia in the World War, reported it with amendments.

ENROLLED BILL AND JOINT RESOLUTION PRESENTED.

Mr. WATSON, from the Committee on Enrolled Bills, reported that on the 27th instant they presented to the President of the United States an enrolled bill and joint resolution of the following titles:

S. 2189. An act granting the consent of Congress to the State Highway Department of North Carolina to construct a bridge across the Peedee River, in North Carolina, between Anson and Richmond Counties; and

S. J. Res. 83. Joint resolution for the appointment of one member of the Board of Managers of the National Home for Disabled Volunteer Soldiers.

CHANGE OF REFERENCE.

On motion of Mr. LENROOT, the Committee on Interstate Commerce was discharged from the further consideration of the bill (S. 1926) to amend the act to regulate interstate and foreign commerce in livestock, livestock products, dairy products, poultry, poultry products, and eggs, and for other purposes, approved August 15, 1921, and it was referred to the Committee on Agriculture and Forestry.

BILLS INTRODUCED.

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. CAPPER:

A bill (S. 2667) to amend section 1 of the act entitled "An act to readjust the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and Public Health Service," approved June 10, 1922; to the Committee on Military Affairs.

A bill (S. 2668) to amend the act entitled "An act to fix and regulate the salaries of teachers, school officers, and other employees of the Board of Education of the District of Columbia," approved June 20, 1906, as amended, and for other purposes; to the Committee on the District of Columbia.

By Mr. WILLIS:

A bill (S. 2669) for the relief of J. R. King (with accompanying papers); to the Committee on Claims.

By Mr. RALSTON:

A bill (S. 2670) granting a pension to Rosy J. Barnes (with accompanying papers);

A bill (S. 2671) granting an increase of pension to Mary W. Mott (with an accompanying paper); and

A bill (S. 2672) granting an increase of pension to Ziba A. Redding (with accompanying papers); to the Committee on Pensions.

By Mr. WADSWORTH:

A bill (S. 2673) authorizing an exchange of lands between the United States and the State of New York; to the Committee on Commerce.

By Mr. REED of Pennsylvania:

A bill (S. 2674) granting an increase of pension to Roxanna Mellander; to the Committee on Pensions.

By Mr. BURSUM:

A bill (S. 2675) granting a pension to Emma Higgins; to the Committee on Pensions.

By Mr. FLETCHER (by request):

A bill (S. 2676) authorizing the Secretary of War to lease or, in his discretion, to convey by quitclaim deed a certain tract of land in the military reservation of Santa Rosa Island, Fla.; to the Committee on Military Affairs.

By Mr. ERNST:

A bill (S. 2677) for the relief of the estates of T. T. Garrard, J. W. Reid, Alexander T. White, M. G. Horton, Alexander W. Chastain, James White, L. R. White, and Daugherty White; to the Committee on Claims.

A bill (S. 2678) to amend sections 136 and 138 of the Judicial Code; to the Committee on the Judiciary.

A bill (S. 2679) to protect trade-marks used in commerce, to authorize the registration of such trade-marks, and for other purposes; to the Committee on Patents.

By Mr. JOHNSON of California:

A bill (S. 2680) authorizing each of the judges of the United States District Court for the District of Hawaii to hold sessions of said court separately at the same time; to the Committee on the Judiciary.

A bill (S. 2681) for the relief of E. J. Hendrycks; to the Committee on Claims.

A bill (S. 2682) granting a pension to Frank Dixon;

A bill (S. 2683) granting a pension to Annette Payne; and

A bill (S. 2684) granting an increase of pension to William W. Bishop; to the Committee on Pensions.

By Mr. ELKINS:

A bill (S. 2685) for the relief of the Davis Construction Co.; to the Committee on Claims.

By Mr. CARAWAY:

A bill (S. 2686) to authorize the Federal Power Commission to amend permit No. 1, project No. 1, issued to the Dixie Power Co.; to the Committee on Commerce.

By Mr. GERRY:

A bill (S. 2687) for the relief of Charles B. Malpas; to the Committee on Claims.

By Mr. SHEPPARD:

A bill (S. 2688) to amend paragraph (3), section 16, of the interstate commerce act (with an accompanying paper); to the Committee on Interstate Commerce.

By Mr. WALSH of Montana:

A bill (S. 2689) for the relief of the First International Bank of Sweetgrass, Mont.; and

A bill (S. 2690) to transfer jurisdiction over a portion of the Fort Keogh Military Reservation, Mont., from the Department of the Interior to the United States Department of Agriculture for experiments in stock raising and growing of forage crops in connection therewith; to the Committee on Public Lands and Surveys.

A bill (S. 2691) to amend the Penal Code;

A bill (S. 2692) to authorize the appointment of stenographers in the courts of the United States and to fix their duties and compensation; and

A bill (S. 2693) in reference to writs of error; to the Committee on the Judiciary.

PUBLICITY OF CERTAIN INCOME-TAX RETURNS.

The PRESIDING OFFICER. The Chair lays before the Senate a resolution (S. Res. 180) coming over from the preceding day, which will be read.

Mr. HARRISON. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state the inquiry.

Mr. HARRISON. Does not the unanimous-consent agreement entered into yesterday make it necessary that we shall proceed to the consideration of Senate Resolution 157?

The PRESIDING OFFICER. At the conclusion of routine morning business. Resolutions coming over from a previous day come under the head of routine morning business.

Mr. HARRISON. I was under the impression that morning business was closed after concurrent or other resolutions were submitted.

The PRESIDING OFFICER. If the Senator will turn to Rule VII he will discover that morning business is closed after resolutions coming over from a previous day are disposed of.

Mr. ROBINSON. I desire to submit a suggestion respecting the resolution as a result of consultation with the author of the resolution, the Senator from Tennessee [Mr. MCKELLAR], and with the Senator from Kansas [Mr. CURTIS], and others who are interested in the subject. There are some recitals in the preamble to the resolution that raise issues of fact. It is suggested that the preamble be stricken out and that the resolution be agreed to without the preamble, if that be agreeable to the author of the resolution.

The PRESIDING OFFICER. The author of the resolution would have the right to perfect his resolution.

Mr. MCKELLAR. I have no objection to the preamble of the resolution being stricken out, if the resolution itself may be adopted.

The PRESIDING OFFICER. The preamble would have to be dealt with after action upon the resolution itself.

Mr. ROBINSON. I suggest that the Secretary read the resolution proper.

The PRESIDING OFFICER. The Secretary will read the resolution.

The reading clerk read the resolution (S. Res. 180) submitted yesterday by Mr. McKELLAR, as follows:

Resolved, That the President of the United States be, and he is hereby, respectfully requested to direct the Secretary of the Treasury to turn over to the Public Lands Committee of the Senate, as by law he is authorized to do, the income-tax returns filed by the said H. F. Sinclair, the Sinclair Consolidated Oil Co., the Mammoth Oil Co., the Hyva Corporation, the Selah Corporation, E. L. Doheny, E. L. Doheny, jr., the Mexican Petroleum Co., the Pan American Petroleum & Transport Co., and A. B. Fall, together with all files, claims, papers, settlements, reports, formal and informal, adjustments, memoranda, or refunds, and all other files and data attached thereto or connected therewith, in the years for which said leases were consummated and for the years prior and subsequent thereto.

The PRESIDING OFFICER. The Chair wishes to submit in his own behalf certain amendments to the resolution, which the Secretary will state.

The READING CLERK. On page 4, line 5, after the word "do," it is proposed to strike out the word "the" and to insert the word "all."

Mr. McKELLAR. That amendment is satisfactory to me.

The PRESIDING OFFICER. The author of the resolution accepts that amendment, and, in the absence of objection, it is agreed to. The next amendment proposed to the resolution by the present occupant of the chair will be stated.

The READING CLERK. On page 4, line 8, after the word "junior," it is proposed to insert the words "the Securities Investment Co."

Mr. McKELLAR. I have no objection to that amendment.

The PRESIDING OFFICER. The author of the resolution accepts the amendment, and, in the absence of objection, it is agreed to. The next amendment proposed to the resolution by the present occupant of the chair will be stated.

The READING CLERK. On page 4, line 13, after the word "therewith," it is proposed to strike out the following words: "in the years for which said leases were consummated and for the years prior and subsequent thereto."

Mr. McKELLAR. I understand that the word "all" will include all tax returns which the committee may desire, and for that reason I shall not object to the amendment.

The PRESIDING OFFICER. That was the purpose of the Chair in offering the amendment. The author of the resolution accepts the amendment and, in the absence of objection, it is agreed to. The question is upon agreeing to the resolution offered by the Senator from Tennessee as amended.

Mr. WADSWORTH. Mr. President, I understand that the preamble to the resolution is withdrawn?

The PRESIDING OFFICER. It is to be withdrawn after the resolution has been acted on.

Mr. McKELLAR. I have no objection to withdrawing the preamble.

Mr. WADSWORTH. But I understood that the Senator from Arkansas [Mr. ROBINSON] suggested that the preamble be withdrawn before the Senate acts upon the resolution.

The PRESIDING OFFICER. That can not be done.

Mr. McKELLAR. I believe that would be against the rule.

Mr. ROBINSON. That may be done by unanimous consent.

Mr. McKELLAR. I ask unanimous consent that the preamble be stricken out.

The PRESIDING OFFICER. The Senator from Tennessee asks unanimous consent for the withdrawal of the preamble to the resolution prior to acting upon the resolution itself. Is there objection? The Chair hears none, and it is so ordered. The question now is upon agreeing to the resolution offered by the Senator from Tennessee as amended.

The resolution as amended was agreed to, as follows:

Resolved, That the President of the United States be, and he is hereby, respectfully requested to direct the Secretary of the Treasury to turn over to the Public Lands and Surveys Committee of the Senate, as by law he is authorized to do, all income-tax returns filed by H. F. Sinclair, the Sinclair Consolidated Oil Co., the Mammoth Oil Co., the Hyva Corporation, the Selah Corporation, E. L. Doheny, E. L. Doheny, jr., the Securities Investment Co., the Mexican Petroleum Co., the Pan American Petroleum & Transport Co., and A. B. Fall, together with all files, claims, papers, settlements, reports, formal and informal, adjustments, memoranda, or refunds, and all other files and data attached thereto or connected therewith.

ATTORNEY GENERAL DAUGHERTY.

The PRESIDING OFFICER. Morning business is closed; and under the unanimous-consent agreement entered into on yesterday the Chair lays before the Senate Senate Resolution 157, which the Secretary will read.

The reading clerk read the resolution (S. Res. 157) submitted by Mr. WHEELER on the 13th instant, as modified by him on the 19th instant, as follows:

Whereas the Federal Trade Commission has conducted investigations of alleged violations of the Sherman Antitrust Act and the Clayton Act against monopolies and unlawful restraints of trade and has transmitted to the Attorney General the record of more than 50 such investigations, indicating a violation of said acts, for the initiation of such proceedings for the enforcement of the law as the Attorney General may be advised to make; and

Whereas the Attorney General has taken no action upon said records transmitted to him by the Federal Trade Commission for the purpose of securing indictments against the parties named therein and has brought no proceedings for the prevention of such violations, by injunction or otherwise, except in two cases; and

Whereas the evidence presented several months ago before the special committee of the Senate investigating the United States Veterans' Bureau disclosed acts of negligence and corruption on the part of officials of the United States Veterans' Bureau and others, and no action has been taken by the Department of Justice to prosecute the officials and persons alleged to have acted illegally and corruptly; and

Whereas several weeks have transpired since the evidence was presented and disclosures were made before the Public Lands and Surveys Committee of the Senate charging past and present public officials of the Government and others with conspiracies to defraud the Government, violations of law, and corrupt practices, and no prosecutions have been undertaken; and

Whereas no action has been taken by the Department of Justice in prosecuting to a conclusion the so-called war-fraud cases; and

Resolved, That a committee of five Senators consisting of Senators BROOKHART, McLEAN, JONES of Washington, WHEELER, and ASHURST be authorized and directed to investigate the circumstances and facts, and report the same to the Senate, concerning the failure of Harry M. Daugherty, Attorney General of the United States, to properly prosecute violators of the Sherman Antitrust Act and the Clayton Act against monopolies and unlawful restraint of trade; the neglect and failure of the said Harry M. Daugherty, Attorney General of the United States, to arrest and prosecute Albert B. Fall, Harry F. Sinclair, E. L. Doheny, C. R. Forbes, and their coconspirators in defrauding the Government, as well as the neglect and failure of the said Attorney General to arrest and prosecute many others for violations of Federal statutes; and his failure to properly, efficiently, and promptly prosecute and defend all manner of civil and criminal actions wherein the Government of the United States is interested as a party plaintiff or defendant. And said committee is further directed to inquire into, investigate, and report to the Senate the activities of the said Harry M. Daugherty, Attorney General, and any of his assistants in the Department of Justice which would in any manner tend to impair their efficiency or influence as representatives of the Government of the United States.

Resolved further, That in pursuance of the purposes of this resolution said committee, or any member thereof, be, and hereby is, authorized during the Sixty-eighth Congress to send for persons, books, and papers; to administer oaths and to employ stenographic assistance at a cost not to exceed 25 cents per hundred words; to report such hearings as may be had in connection herewith, the expenses thereof to be paid out of the contingent fund of the Senate; and that the committee, or any subcommittee thereof, may sit during the sessions or recesses of the Senate.

Mr. WHEELER. Mr. President, at the suggestion of the Senator from Arkansas [Mr. ROBINSON] I desire to modify the resolution as follows: Beginning on line 2 on page 2 I desire to strike out the words "Senators BROOKHART, McLEAN, JONES of Washington, WHEELER, and ASHURST" and to insert in place thereof "three members of the majority and two members of the minority."

I desire further to modify the resolution, after the words "United States" in line 13, page 3, by adding the following words:

The said committee above referred to and the chairman thereof shall be elected by the Senate of the United States.

I will suggest to the Members of the Senate that the purpose of so modifying the resolution is in order that the members of the committee shall be elected from the floor of the Senate instead of being named in the resolution.

The PRESIDING OFFICER. The question is upon agreeing to the resolution——

Mr. ROBINSON. The Senator from Montana has a right to modify his own resolution.

The PRESIDING OFFICER. The Chair was about to put the question on the resolution as modified.

Mr. ROBINSON. Very well.

The PRESIDING OFFICER. For the information of the Senate the Secretary will state the modifications of the resolution proposed by its author.

The READING CLERK. On page 2, line 2, it is proposed to strike out the words "Senators BROOKHART, McLEAN, JONES of Washington, WHEELER, and ASHURST" and to insert the words "three members of the majority and two members of the minority"; and after the words "United States" on line 13, page 3, to insert:

The said committee above referred to and the chairman thereof shall be elected by the Senate of the United States.

The PRESIDING OFFICER. The question is on agreeing to the resolution as modified by its author.

Mr. LODGE. I desire to offer an amendment to that portion of the resolution which has just been modified by the Senator from Montana. I am not sure whether under the new modification I have placed the amendment correctly, because I have no copy of the modification before me, but I offer the amendment to the resolution as it stood, and the secretary can easily place it in the modified form of the resolution.

The PRESIDING OFFICER. The secretary will state the amendment.

The READING CLERK. On page 1, line 1, it is proposed to strike out the words "consisting of" and then, as modified, the Senator from Massachusetts would strike out the words "three members of the majority and two members of the minority," and insert "be appointed by the Chair, and that said committee shall."

The PRESIDING OFFICER. The Chair will inquire if the amendment has been correctly stated.

Mr. LODGE. I think it has been correctly stated. I have not the modified form of the resolution before me, but as I listened to the reading the amendment seemed to me to be correctly stated.

The PRESIDING OFFICER. The question is on agreeing to the amendment proposed by the Senator from Massachusetts.

Mr. LODGE. Mr. President, the purpose of that amendment is to secure the appointment of the committee by the Chair. It has been said of the Senate by distinguished gentlemen in another part of the Capitol more than once that the Senate has no rules, but only customs. Like most generalizations, this one contains an element of truth. The Senate began with 22 members, and it has grown to be a body of 96 members. Its customs and traditions have remained, and I think have been of value not merely to the character of the Senate itself but to the conduct of the public business.

I am aware, of course, of the provisions of the rules in regard to the choice of standing and all other committees, but those provisions have been far more honored in the breach than in the observance. It has been, however, the universal practice, so far as I know, to leave the appointment of committees, whether provided by statute or by resolution passed at the moment, to the Chair.

I have had some experience in the Senate. For 12 years of my service I served under Democratic Vice Presidents as Presiding Officers, and I know that the practice of leaving the appointment of committees to the Presiding Officer, who represents the whole Senate, was observed then and was always observed in the same way when the Republican Party was in power. Whether the Presiding Officer was chosen for us by the people or whether he was selected by our own choice, we have always recognized the fairness and the capacity of the Chair in that respect.

The powers of the Presiding Officer in the Senate are limited, of course, to those necessary to a presiding officer—the power of recognition and the power to rule on points of order. He has no other powers, except such as are given to him either by tradition or by actual enactment of a statute or by the rules; but the tradition of the Senate I believe to be a sound one. No matter who occupies the chair which you are now occupying, sir [Mr. MOSES in the chair], I think it is essential to the conduct of the business in the Senate that the Presiding Officer, whether chosen by us or by the people, shall receive from the Senate every mark of personal confidence and respect. I dislike to see anything done in what I think is the manner and effect of the pending resolution in a form that breaks down the respect and the recognition which we have always given to our Presiding Officers, no matter what their party or how their power was derived. I am, therefore, opposed to making this change in what I think a very valuable tradition of the Senate. I will not go into the point of the distrust which is manifest or the reflection upon the Presiding Officer. I think the objection lies much deeper than that.

In the effort, by changing our method of appointing committees, to assure ourselves that this committee of investigation shall not be unduly impartial but assuredly hostile to the person investigated we have seen fit to attempt this change in our traditional custom. Personally, I desired an opportunity to oppose it and to vote against the proposed change in our practice, and therefore offer this amendment.

I do not desire to detain the Senate. This resolution has been too long delayed already. I merely desired to say these few words to express my own feeling about it—that it is a very unfortunate change to make in the practice of the Senate, for it establishes a precedent and sets aside one of more than a century, which, to my mind, can not but result in ills in the future which we and those who succeed us will deeply regret.

Mr. ROBINSON. Mr. President, I find myself unable to agree with the position taken by the Senator from Massachusetts [Mr. LODGE], both as to the question of fact involved in his declaration that the precedents and practices of the Senate preclude the Senate from electing its special committees and in the conclusion that the selection of committees by the Senate itself is a custom detrimental to the public interest and in conflict with sound policy and proper procedure by the Senate.

There have been many instances within my own experience and service in the Congress where special committees have been selected by processes other than by appointment of the Chair. Indeed, there are numerous precedents in the records of the Senate where special committees have been authorized, where subcommittees have been authorized to be selected by the chairmen of committees of the Senate. That the policy of the Senate itself selecting its committees is not regarded as unwise and subversive of public interest is reflected in the fact that the Senate rules require all standing committees, unless otherwise ordered by the Senate, to be selected by ballot—that is, elected—substantially in the manner that the resolution of the Senator from Montana requires this special committee to be selected, and that rule has been in force for many years.

If it is right and proper to elect the standing committees of the Senate, how can it be said to be detrimental to any public interest or subversive of or in conflict with any sound public policy for the Senate itself to take the responsibility of naming a special committee the nature of whose duties requires caution, and where a failure to exercise discretion upon the part of the Senate may result in criticism?

The Senator from Massachusetts [Mr. LODGE] has assumed that for the Senate itself to elect this special committee is a reflection on the Presiding Officer of the Senate. How can that be, Mr. President? The Senate selects its own Presiding Officer. It can remove him by the simple process of electing another Presiding Officer, and it has reserved in its rules the unqualified right to select all committees; and whenever it has wanted to do so for any reason, it has in the past provided for the selection of special committees and of special subcommittees in other ways than by appointment of the Chair.

This is a case, sirs, in which the Senate ought to take the responsibility of selecting this special committee. This is a case in which the Chair ought not to want, and does not want, the responsibility of selecting this special committee. It has been openly declared that efforts have been contemplated to pack the committee. I know that the distinguished Senator who enjoys the honor of being the President pro tempore of the Senate, the Senator from Iowa [Mr. CUMMINS], is incapable of lending himself to any scheme or plan or purpose to select an unfair special committee in this or in any case.

Mr. BRUCE. Mr. President——

The PRESIDING OFFICER. Does the Senator from Arkansas yield to the Senator from Maryland?

Mr. ROBINSON. I yield.

Mr. BRUCE. I should like to ask the Senator whether he has received any assurance from the Presiding Officer of the Senate that he does not desire to appoint this committee, or whether anybody else has received such an assurance to his knowledge?

Mr. ROBINSON. I have never asked the Senator from Iowa whether he desires to appoint this committee.

Mr. BRUCE. The Senator said a few moments ago, as I understood him, that the Senator from Iowa does not so desire.

Mr. ROBINSON. I have reason to believe that the Senator from Iowa does not want to appoint this committee.

Mr. BRUCE. That was not what the Senator from Arkansas stated, if I may be pardoned for saying so. Of course, I do not

want to hold him too closely to the literal language that he employed——

Mr. ROBINSON. The Senator may pursue any course that he pleases.

Mr. BRUCE. But the Senator's statement was that the Senator from Iowa does not desire to appoint the committee.

Mr. ROBINSON. Has the Senator information that the Senator from Iowa does desire to appoint this special committee?

Mr. BRUCE. None whatever.

Mr. ROBINSON. I repeat the statement, Mr. President, and the Senator can satisfy himself in regard to it in any way that he chooses, that, in view of what has transpired in the Senate, the Senator from Iowa does not want to name this special committee.

Mr. BRUCE. Then I certainly should not force it upon him. Otherwise, I certainly should insist upon his not being stripped of the dignity and authority that belongs to his office.

Mr. ROBINSON. Mr. President, I am contending that this resolution does not strip the Senator from Iowa of any dignity or authority conferred on him by the rules of the Senate or by the customs and precedents of the Senate. I am insisting that by the selection of its own special committee the Senate is discharging its own responsibility, the responsibility which devolves primarily upon the Senate itself. I do not care what view of the matter the Senator from Maryland takes. I do not care how he or any other Senator votes upon this resolution or upon the amendment submitted by the Senator from Massachusetts. I want fair treatment of everybody concerned, and I am sure there is nothing in the practice or customs of the Senate which constitutes the selection of a special committee by the Senate itself a reflection on the Presiding Officer of the Senate. If it does, then how can it be said that the rule of the Senate that requires all standing committees of the Senate to be elected by the Senate is not a reflection upon the Presiding Officer of this body? When the Senate elects its special committees, the Senate takes responsibility for the committees itself. When the Senate requires the Presiding Officer to select a special committee, it places upon the Presiding Officer the responsibility of making the selection.

The Senate can, of course, pursue any course it desires to pursue. It can establish the precedent of requiring the Presiding Officer to select a special committee in a case where the responsibility is peculiarly upon the Senate itself, but it need not do so.

There are many exceptions to the practice of requiring or permitting the Chair to appoint special committees. Those exceptions are found in both the precedents of the Senate and the precedents of the House of Representatives. Why should it be insisted that the Chair, and not the Senate, make the selection? Let any Senator who has an answer to that question make it now in my time. Why should any presiding officer want to make the selections under the circumstances that surround this case? And why should Senators want to impose on the Presiding Officer of the Senate the responsibility which the country holds to be their own?

My attention has just been called to a fact I have overlooked, that the rule of the Senate not only requires that all standing committees shall be appointed by the Senate but it expressly requires that all special committees shall be appointed by the Senate—that is, all other committees.

Mr. LODGE. All other committees. I called attention to that when I spoke.

Mr. ROBINSON. The language is:

> All other committees shall be appointed by ballot, unless otherwise ordered.

So that the rule requires that this committee shall be appointed by the ballot of the Senate; that is to say, elected by the Senate. I ask again, Why should the rule be disregarded in the selection of this committee? How can it reflect on anyone if the Senate obeys its rules?

Mr. WHEELER. Mr. President, I simply desire to say a few words in support of this resolution and to tell the Senate some of the reasons why I propose to have the members of the special committee named by the Senate itself. Probably under ordinary circumstances I would not be opposed to having the chairman name the committee, but, as the Senator from Arkansas [Mr. ROBINSON] has said, there are peculiar circumstances surrounding the situation with which we are confronted to-day. The senior Senator from Ohio [Mr. WILLIS] stated on the floor of the Senate that after consulting with the Attorney General he went to the chairman and asked him to appoint certain members upon that committee. All I am asking for is that we have a committee that will give the Attorney General of the United States a fair and an impartial investigation.

All I want to see is that we shall have a real investigation, and that men shall be upon that committee who will not be constantly consulting with the man who is being investigated. I read in this morning's paper the statement given out in Chicago yesterday by the Attorney General himself, in which he makes this startling statement. He said:

> If a bunch of Senators have not resigned this afternoon, I may have an important statement to make.

I would like to know just which of the Senators in this body he expects to resign from the United States Senate. I wonder which one of the Members of the Senate he is trying to intimidate. I wonder which one of the Members of the Senate he thinks he has something on, that he can force him to resign. I want to say to the Members of the Senate he has already apparently intimidated the man in the White House, because we all know that his resignation would be acceptable to the White House, and we all know that the President of the United States, for some unknown reason, has not had the intestinal stamina to ask him for that resignation. Having, if you please, apparently intimidated his superiors, he now comes to the point where he wants to intimidate the Members of the United States Senate.

I read an article in the New York Evening Mail, published in a special edition, clear across the front page, "Daugherty striking at his foes charges revenge," and that he declares, "Senator WHEELER seeks revenge for having been removed as Federal attorney in Montana"; plainly intimating, if you please, that I was removed by him as United States attorney, when no baser lie could ever have been told, because neither did I ever serve under Mr. Daugherty, nor was I ever removed as United States district attorney; neither did I resign, except voluntarily, and I was requested to stay in office by Mr. Gregory, the then United States Attorney General.

Not only that, but the article goes on to say that my war record is going to be attacked, and it reminds me of the old adage that when a man is on trial and he has a good defense, he should always present that defense to the court and to the jury; if he has no defense, either upon the law or the evidence, then he should immediately start to attack those who are trying to either investigate or prosecute the case.

So, in this instance, the Attorney General of the United States, first through the newspapers, makes an attack upon those who ask an investigation; then he attempts to intimidate the White House, and says that if he has to resign he will open up the tomb, or the closet, and let the rest of the skeleton come out of the closet. Then he starts in to intimidate the Members of the United States Senate.

It is for these reasons that I am insisting that a committee should be appointed which will give to the Attorney General the investigation which he himself claims he is very anxious to have.

Mr. WILLIS. Mr. President, I had not thought to make any remarks upon this branch of the subject, but since the Senator from Montana [Mr. WHEELER] has referred to me, I think perhaps I ought to say a word.

I note that he quotes from an alleged statement made by the Attorney General. I think it might be useful at this point to have read at the desk a telegram which has appeared in all the morning papers, but which I ask to have read now for the information of the Senate.

The PRESIDING OFFICER. The Secretary will read as requested.

The reading clerk read as follows:

[Telegram.]

CHICAGO, ILL., *February 28, 1924.*

Hon. FRANK B. WILLIS,
Senate Office Building, Washington, D. C.

Do not fail to again advise the Senate that I have not opposed the passage of the resolution under consideration. I have made no statement nor authorized any for publication since leaving Washington. Having attended to the Government business which brought me here I am leaving to-night for Florida as intended and required. I have retained Hon. George E. Chamberlain and Hon. Paul Howland, who represented me in a similar attack a year ago in the House, inspired by the same influences who openly and secretly and on practically the same charges with substantially the same object in view, to represent me. They will give such attention as may be necessary in my personal behalf so that the regular force of the department and I may continue to give our attention to the Government business. I will return to Washington as soon as possible.

H. M. DAUGHERTY.

Mr. WILLIS. Mr. President, it will be observed from that telegram that the Attorney General of the United States says he has neither made any statement since he left Washington nor authorized any; so, while I do not, of course, question that the Senator has read accurately from the paper, whether that is authorized or not I do not know. I will let the telegram speak for itself.

The Senator from Montana, perhaps unintentionally, has left the impression that somebody on this side has undertaken to get a packed jury for the consideration of this case. I understood him to say that I had conferred with the Attorney General, and then conferred with the President pro tempore of the Senate, obviously seeking to convey the impression that some committee had been agreed upon, and that an effort was made to get the President pro tempore of the Senate to *appoint* such committee.

I take this opportunity to say that there is no foundation whatever for that statement.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Montana?

Mr. WILLIS. I yield.

Mr. WHEELER. Let me ask the distinguished Senator if he did not make that statement and answer "Yes" in response to a question I asked him on the floor of the Senate?

Mr. WILLIS. I am perfectly willing to have the RECORD read. I did not make the statement with the implication the Senator now tries to draw from it, and if he will permit me to proceed, I will state the facts. There is nothing to be hidden in this matter. The Senator will bear me out in what I am now about to say, that he, the Senator from Montana, and I talked about this matter of the membership of the committee, and I said to him at the outset, as I have said to him, I think, within 24 hours, that I thought it was improper that he, the Senator from Montana, should be a member of the committee, and the Senator knows that I meant nothing offensive personally in that. There is no reflection at all upon his character or ability. I think the Senator understands that. But since this matter has been brought up, I do say, Mr. President, that I think it is an unheard-of proceeding to have the prosecuting attorney in a case a member of the jury that is to try the case. I have never heard of such a thing in any legislative body.

Before I go into that further, however, let us talk more about this committee business. I did talk to my friend the Senator from Montana about the make-up of this committee. It will be recalled that the name of the senior Senator from Idaho [Mr. BORAH] was mentioned. His was the first name that was mentioned, as I recall. The senior Senator from Idaho is not now on the floor——

Mr. CARAWAY. May I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. WILLIS. In just a moment. I want to finish this statement. Following our conversation, I conferred with the senior Senator from Idaho and he advised me that he did not care to serve on the committee and gave sufficient reasons therefor, and that I reported to the Senator from Montana. I now yield to the Senator from Arkansas.

Mr. CARAWAY. I just came into the Chamber. Did the Senator from Ohio talk to the Attorney General about the make-up of the committee?

Mr. WILLIS. Mr. President, I have not seen the Attorney General for probably a week——

Mr. CARAWAY. I say——

Mr. WILLIS. If the Senator will just let me answer. When I did see the Attorney General the question of the make-up of the committee was discussed.

Mr. CARAWAY. It was?

Mr. WILLIS. It was. I told him I did not know how the committee would be appointed. I suggested to him the names of a number of members of the majority who I thought would be proper members for the committee.

Mr. CARAWAY. Now may I ask the Senator another question?

Mr. WILLIS. Certainly.

Mr. CARAWAY. Is it the rule to let the man who is going to be tried select the jury by which he is to be tried?

Mr. WILLIS. Certainly not.

Mr. CARAWAY. Mr. President——

Mr. WILLIS. Now, wait until I answer the Senator on that proposition. Certainly that is not the rule, nor was it proposed or thought of in this case.

Mr. CARAWAY. Then let me ask the Senator another question. Why was the Senator suggesting to the Attorney General certain men he thought would be suitable for that purpose? What was the object?

Mr. WILLIS. It was a perfectly natural and perfectly reasonable thing, Mr. President. The Attorney General asked me something about the make-up of the committee——

Mr. CARAWAY. I can see why the Attorney General should be vitally interested, but I never knew before of a Senator going and talking to a man who was to be investigated and helping him pick the jury.

Mr. WILLIS. I will take care of that, if the Senator will possess his soul in patience.

Mr. CARAWAY. The Senator would have to have a great deal of patience to approve of such a proposition as that.

Mr. WILLIS. I discussed with the Senator from Montana the name of the senior Senator from Idaho. His was the first name suggested. I suggested the name of the senior Senator from Washington [Mr. JONES], whose name I am glad to see embodied in this resolution.

I suggested the name of the Senator from Kentucky [Mr. ERNST]. I suggested the name of the Senator from California [Mr. SHORTRIDGE]. I remember those were mentioned as possibly being members of the committee.

I submit that there was no impropriety in that. There was no suggestion that the Attorney General was to name the committee. He did not undertake to name the committee, and there was no suggestion of the kind ever made to the President of the Senate.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Montana?

Mr. WILLIS. I yield to the Senator.

Mr. WHEELER. Let me ask the Senator if he feels that he has told all the story? Did I not ask the Senator if he would pick out from the Republican side some one of the progressive Members, on the Republican side, and he would not agree to any of the so-called progressives having representation upon the committee?

Mr. WILLIS. Mr. President, I have just finished saying that the first name mentioned was that of the senior Senator from Idaho. He is a fairly progressive Senator, I had always supposed.

There is nothing to this proposition that there is an attempt anywhere to pack the jury. It is simply another part of the smoke screen that is being put out here. An effort was made——

Mr. CARAWAY. May I ask the Senator a question?

Mr. WILLIS. I yield.

Mr. CARAWAY. Who is putting out a smoke screen?

Mr. WILLIS. Anybody who says there is an effort to pack the jury.

Mr. CARAWAY. Why did the Senator consult with the Attorney General over the peculiarities of Senators if he was not attempting to find a jury that would be friendly to the Attorney General?

Mr. WILLIS. The Attorney General inquired of me——

Mr. CARAWAY. Of course he did.

Mr. WILLIS. But let me answer the Senator's question. He inquired of me as to the probable make-up of the committee, and I suggested the names of 8 or 10 Senators who might possibly be on the committee.

Mr. CARAWAY. What was it that the Attorney General wanted to know about those peculiar Senators that the Senator from Ohio was going to help him pick?

Mr. WILLIS. There was no inquiry made about the peculiarities of any Senator.

Mr. CARAWAY. He wanted to know whether they would vote for him right along?

Mr. WILLIS. Oh, Mr. President, men judge the motives of other men only by their own. It was a perfectly reasonable, fair inquiry, which I answered as I have indicated.

Mr. CARAWAY. May I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator from Ohio yield further to the Senator from Arkansas?

Mr. WILLIS. Certainly.

Mr. CARAWAY. Out of the Senate was to come the jury. Is it a fact that anywhere on earth there is any such practice as that the man who is going to be tried is allowed to go and talk to the jury and ascertain what their peculiar leanings are? Is there not——

Mr. WILLIS. Let me answer that question.

Mr. CARAWAY. Just a minute.

Mr. WILLIS. I want to answer the Senator's question.

Mr. CARAWAY. Oh, well, go ahead.

Mr. WILLIS. I answer the question by saying of course not, but nothing of the sort was undertaken in this case.

Mr. CARAWAY. What was it the Attorney General wanted to know? That is what I am curious to know.

Mr. WILLIS. Does the Senator think there is any impropriety in the Attorney General inquiring as to how the committee would probably be appointed and who might be considered?

Mr. CARAWAY. The Senator from Ohio said he talked about certain Senators and evidently wanted to know how they stood with reference to the inquiry.

Mr. WILLIS. Not at all. There was no inquiry about that.

Mr. CARAWAY. What was the inquiry?

Mr. WILLIS. No inquiry except that which I have stated. There was no inquiry at all such as the Senator suggests. There was not the slightest inquiry about how any Senator stood in that matter.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Montana?

Mr. WILLIS. I yield.

Mr. WHEELER. In order to keep the record straight, I desire to read this statement found on page 2771 of the CONGRESSIONAL RECORD of February 19, referring to the senior Senator from Ohio:

> Mr. WHEELER. Let me ask the Senator if he himself, after conferring with the Attorney General, did not suggest to the President of the Senate who should go on that committee?
>
> Mr. WILLIS. Certainly; I conferred with the President of the Senate, and if his resolution had been adopted in another form I expected the Senator to do that. The President of the Senate is not apart from other people; and certainly I suggested names to him; but that is quite apart and quite a different thing from a Member of the Senate undertaking to name the members of a committee and their naming himself as a member of the committee. I never heard of such a procedure.

The Senator must admit that the RECORD bears out my statement.

Mr. WILLIS. I do not question at all the RECORD, and it does not at all bear out the statement that the Senator made or the implication that he sought to draw therefrom. It is a fact, as I said upon that occasion, that I talked with the President of the Senate. The Attorney General made no suggestion to me as to the Members that he wanted on the committee, and if he had I should not have repeated that suggestion to the President of the Senate.

Mr. WHEELER. Let me ask the Senator a question?

Mr. WILLIS. Certainly.

Mr. WHEELER. The Senator will admit that he is a very close personal friend and political adviser of the Attorney General?

Mr. WILLIS. I will not admit that. I will admit that in a good many years of politics in Ohio sometimes we have been on the same side and sometimes on opposite sides, and I will admit that when an attempt is made to condemn a man without hearing I will stand up and to the best of my ability defend him, whether he is friend or foe.

Mr. WHEELER. Will the Senator yield for another question?

Mr. WILLIS. Certainly.

Mr. WHEELER. Is it not a fact that the Senator himself has been the one man in the Senate who has been in constant touch with the Attorney General——

Mr. WILLIS. Oh, no; that is not true at all. I have not been in constant touch with the Attorney General. I have not seen him for a week.

Mr. WHEELER. Oh, for a whole week?

Mr. WILLIS. No. Does the Senator think that we have got to that state of suspicion and innuendo and ribaldry in the Senate of the United States that a Member of the Senate is disgraced when he confers with any member of the Cabinet?

Mr. WHEELER. I am not so sure but what that should be the case at the present time. [Laughter in the galleries.]

Mr. WILLIS. That is the Senator's political viewpoint. It is not mine.

The PRESIDING OFFICER. The Chair wishes to remind the occupants of the galleries that the rules of the Senate prohibit demonstrations in the galleries.

Mr. WHEELER. The Senator will admit that he has been a close political friend of the Attorney General for a long time?

Mr. WILLIS. We have been fairly good political friends. I am not his political spokesman, but I am willing to admit that I have been his friend.

Mr. WHEELER. The Senator is his friend at the present time?

Mr. WILLIS. I would be the friend of any man when I saw an attempt made to assassinate him and murder him in cold blood without a hearing.

Mr. WHEELER. But the Senator is his friend at the present time?

Mr. WILLIS. I have just stated that.

Mr. WHEELER. And as his friend and political adviser——

Mr. WILLIS. I am not his political adviser at all. Please do not impute such matters.

Mr. WHEELER. As his close personal friend, the Senator wanted to name the committee that was going to investigate him?

Mr. WILLIS. I did not. I repudiate that absolutely. That is absolutely false. I did not want to name the committee, and never sought to name the committee.

Mr. WHEELER. Did not the Senator talk to the President of the Senate about certain Members for the committee?

Mr. WILLIS. I suggested to the President of the Senate the names of a number of Senators who I thought would be faithful and effective and intelligent members of the committee.

Mr. WHEELER. The Senator named to him a number of them whom he thought would be faithful to the Attorney General?

Mr. WILLIS. That statement is false. I made no such proposition at all. I named no one with the idea that he would be faithful to the Attorney General.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. WILLIS. Certainly.

Mr. CARAWAY. Did not the Senator rise in his place a few days ago and proclaim that the Attorney General was a clean as a hound's tooth?

Mr. WILLIS. With reference to the oil transaction, that is what I said; but whether I was correct will be proven if we have a fair investigation.

Mr. CARAWAY. Was not the Senator's statement just general? He just gave the Attorney General a clean bill of health?

Mr. WILLIS. As I recall, it was the oil matter under discussion; but that will be determined by a fair investigation, which I am in favor of.

Now, I repeat there has been no effort on the part of anyone to pack the jury in behalf of the Attorney General.

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER (Mr. JONES of Washington in the chair). Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. WILLIS. I yield.

Mr. CARAWAY. The Senator just qualified his indorsement of the Attorney General awhile ago by saying he was clean so far as oil is concerned.

Mr. WILLIS. It is my recollection that that was the subject under discussion.

Mr. CARAWAY. He goes no further in vouching for the Attorney General than oil?

Mr. WILLIS. I gave the Senator my recollection of the discussion then in hand, and it will be found, if a fair investigation is permitted here, that the Attorney General will present the facts. If it is found that he is guilty of wrongdoing, there will be no one more ready to insist that he shall be punished than shall I. But I insist, Mr. President, that a man is entitled to his chance to present the facts and have a fair hearing.

Mr. STANLEY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Kentucky?

Mr. WILLIS. Yes; I yield, though I am anxious to proceed with my statement.

Mr. STANLEY. If my recollection serves me right, did not the Senator from Ohio some time since introduce a resolution reciting that a Senator was guilty of practices detrimental to the best interests of the Republic and which were highly reprehensible, and then voted for that Senator?

Mr. WILLIS. What is the Senator's question?

Mr. STANLEY. I have a faint recollection——

Mr. WILLIS. I understood the Senator's statement, but he has not yet propounded a question.

Mr. STANLEY. Did not the Senator recently introduce a resolution in the Senate stating that another Senator had been guilty of practices which were detrimental to the moral welfare of the country at large and were highly reprehensible and

dangerous to our institutions, and then vote to seat that same Senator?

Mr. WILLIS. If that is the Senator's question, I will answer it.

Mr. STANLEY. That is it.

Mr. WILLIS. The question propounded by the Senator from Kentucky shows that he is not at all familiar with the resolution. The resolution which upon that occasion I introduced recited the practices and it did provide for the seating of the Senator from Michigan, but there was nothing in the resolution that indicated that the Senator from Michigan himself was personally guilty. If the Senator wants to know the reason for my position, it was exactly that. There was no evidence here to show any personal guilty knowledge on the part of the Senator from Michigan, and therefore——

Mr. CARAWAY. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. WILLIS. Not now. There the practices that were condemned were the practices that had been indulged in without his knowledge or approval or consent. I am not going into the Newberry case now, however.

Mr. STANLEY. Let me ask one further question.

Mr. WILLIS. Very well.

Mr. STANLEY. Is the Senator prepared to apply the same ambidextrous standard to Daugherty that he did to Newberry?

Mr. WILLIS. I am prepared to say this: I will discuss the Newberry case with the Senator here or elsewhere any time he wants to; but just now I do not propose to be diverted from the matter in hand, and that is the discussion of efforts to pack a jury. Let us see about that. I had gotten to the point——

Mr. STANLEY. Mr. President, will the Senator yield just a moment, and then I am through?

Mr. WILLIS. I yield once more, and then I am going to finish my statement.

Mr. STANLEY. I do not seek to divert the Senator. I simply want to get the Senator's peculiar point of view. In that case he recited the guilt of the man——

Mr. WILLIS. I did not recite the guilt of the man at all. I recited what I regarded as practices which were indulged in without his knowledge or approval or consent. There was no personal guilt imputed to that Senator.

Mr. STANLEY. The Senator said the man was elected by means of abominable practices which he abominated, but he would not want to see the man go.

Mr. WILLIS. Because the man himself was not personally guilty. I believe that guilt is a matter that is personal and has to be established by facts and the evidence, and it was not so established, in my judgment.

Mr. STANLEY. It does not matter now how rotten that department is or how corrupt his underlings or assistants are; if you can get him out by some hook or crook, you will put him out.

Mr. WILLIS. Now my friend is changing his attack. He is now suggesting that it is the underling somewhere that is guilty. Finding it is impossible, as I believe it will be impossible if a fair hearing is had, to show guilt on the part of the Attorney General, he now writes a general blanket indictment, but all that will be determined in the inquiry if it is a fair one. It will be found that the Attorney General fights. He does not run away from a controversy of this kind, and I repeat——

Mr. STANLEY. Where is he now? [Laughter in the galleries.]

The PRESIDING OFFICER. The Senator from Ohio will suspend for a moment. The Chair desires to admonish the occupants of the galleries that the rules of the Senate require order in the galleries, and the occupants of the galleries must refrain from demonstrations of approval or disapproval or the Chair will have to enforce the rule.

Mr. WILLIS. I am going to answer the question of the Senator, and I would like to have his attention. The inquiry was where is the Attorney General now? I will answer the Senator now. I had supposed that sense of decency in the United States Senate would prevent such an inquiry as that. The Senator knows of the illness in the family of the Attorney General. He knows of the fact that the good wife of the Attorney General is an invalid and has been for very many years, and that she is in Florida, and that the Attorney General has gone to pay her a brief visit, and yet the Senator from Kentucky cheaply seeks to get a titter and to make a point of a situation so delicate as that. He is welcome to all the glory he can get out of the situation.

Mr. STANLEY. Mr. President——

Mr. WILLIS. I decline to yield to the Senator.

The PRESIDING OFFICER. The Senator from Ohio declines to yield.

Mr. WILLIS. The Senator from Kentucky may speak in his own time.

Mr. STANLEY. I hope the Senator will yield.

Mr. WILLIS. No; I will not yield now.

Mr. STANLEY. Very well.

Mr. WILLIS. Going back to the matter of the discussion, from which I do not desire to be diverted, I suggested then a number of names to the President pro tempore of the Senate. I would not be so foolish as to suppose that it would be proper for any individual to say to the President pro tempore of the Senate whom he should appoint. I suggested the names I have mentioned.

Coming back to the matter of packing a jury, what shall be said in the forum of public opinion when it shall be known as to the Senator who stands here and makes unsupported charges, absolutely without foundation in fact so far as here adduced, that that Senator, out of a sense of fine modesty and in order to be absolutely fair, in order that the jury which is to pass upon the facts shall be fair and unprejudiced, names himself as one of the committee to investigate the charges that he himself makes.

Mr. CARAWAY rose.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

Mr. WILLIS. I yield to the senior Senator from Arkansas.

Mr. ROBINSON. Upon the point the Senator is just now discussing, he also discussed it in the beginning of his remarks. He is criticizing the proposal to place the author of the resolution upon the investigating committee. I ask the Senator if it is not true that the prevailing practice, both in the Senate and in the body at the other end of the Capitol, to name upon the committee the author of a resolution creating a special committee? Is it not the universal practice except in cases where the author of the resolution requests to be excused from service?

Mr. WILLIS. Mr. President, unfortunately my understanding of the practice and the precedents does not quite agree with that of the Senator from Arkansas. I say to him that I have never known a case where charges of a bitter and almost personal nature were made in which the person making the charges was appointed on the committee to investigate them, and I invite the attention of the Senator to an interesting case in the last year or so.

Mr. ROBINSON. Mr. President——

Mr. WILLIS. Let me finish this, please. The Senator will remember the charges that were made——

Mr. ROBINSON. In connection with the statement which the Senator has just made——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. WILLIS. Let me answer the Senator.

Mr. ROBINSON. Let me point out——

Mr. WILLIS. All right, if the Senator wants to complete his question.

Mr. ROBINSON. Let me point out a fact that is fresh in the memory of the Senator from Ohio, which contradicts his statement. Recently the Senator from Alabama [Mr. HEFLIN] filed charges here that were held to reflect upon a citizen, and yet the Senator from Alabama was appointed upon the committee to investigate those charges, as the Senator from Ohio well knows.

Mr. WILLIS. Very well. I think that was a bad precedent, if it was so done. But the illustration I was about to give my friend the senior Senator from Arkansas was this—and he will remember it——

Mr. ROBINSON. Mr. President——

Mr. WILLIS. Let me proceed with this statement, I ask the Senator, and then I shall yield to him.

The precedent to which I wish to call his attention is this: It will be remembered that a year or two ago—I do not recall the exact date—very serious charges were filed here in speeches and otherwise by the late lamented Senator from Georgia, Hon. Thomas E. Watson; it will be remembered that a committee was appointed to investigate those charges, but there was no thought on the part of anyone, so far as I know, toward placing the Senator from Georgia on that committee. He was, however, present at the hearings of the committee; he was permitted to cross-examine witnesses; he was permitted to subpœna witnesses; but he was not a member of the committee.

Now, Mr. President, proceeding with what I wish to say about the fairness of the proposed committee which is to examine the matter, the Senator from Montana [Mr. WHEELER] proposes to have himself named, after making one of these

"we all know" speeches, which have become quite common here in this Chamber—"we all know" this and that.

Mr. ROBINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. WILLIS. I promised to yield to the Senator.

Mr. ROBINSON. Pursuing the question of precedents as to the selection of the authors of resolutions involving charges as members of the investigating committees, I call the Senator's attention to the fact that recently, at the instance of the Senator from Missouri [Mr. REED], the Senate created a special committee to investigate matters relating to propaganda, particularly as to the Bok plan, and the Senator from Missouri was appointed a member of that committee. The Senator from Pennsylvania [Mr. REED] some time ago introduced a resolution making charges of gross mismanagement and corruption and other abuses against the Veterans' Bureau and providing for the creation of a special committee, and the Senator from Pennsylvania was made a member of that committee and became its chairman.

Mr. WILLIS. But how was the committee selected? Will the Senator say?

Mr. ROBINSON. In the body at the other end of the Capitol——

Mr. WILLIS. But will the Senator answer that question? How were the members of the committee selected?

Mr. ROBINSON. I do not recall.

Mr. WILLIS. They were appointed by the Chair, I think.

Mr. ROBINSON. They were appointed by the Chair in all probability.

Mr. WILLIS. Exactly.

Mr. ROBINSON. That, however, is not material to the proposition now under discussion, namely, the question as to whether the author of the resolution providing for a special investigation should be a member of the special committee to conduct the investigation. At the other end of the Capitol, the Senator from Ohio will remember, that some months ago serious charges were filed by the gentleman from Illinois, Representative GRAHAM, against the conduct of the War Department and other agencies of the Government. Mr. GRAHAM was appointed a member of that committee, and, I believe, was made its chairman. The gentleman from Massachusetts, Mr. Walsh, filed charges against the Shipping Board, and yet he was appointed a member, I think, of that committee. The Senator from Ohio, if he will take the trouble to look over the precedents, will find that in almost every case where a special committee has been created by resolution the author of the resolution has been permitted to serve on the committee so created.

Mr. WILLIS. Mr. President, on that specific matter the Senator from Arkansas will find, I think, if he will look up the history of each case to which he has referred, that the appointment of members of the committee was made by the Chair.

Mr. ROBINSON. What difference does that make upon the question of the propriety of the author of the resolution serving on the committee? It only confirms the principle for which I am contending and the practice as sustained by the precedents of the Senate.

Mr. WILLIS. Mr. President, I can see a very vast difference in those two cases. I should not have objected if the President pro tempore of the Senate, in the exercise of his sound discretion, had thought proper to appoint the Senator from Montana on the proposed committee; I should not have said anything about that; but when the Senator from Montana so far forgets the proprieties of a situation as to make ex parte charges, to which I shall in a moment refer, and then designates himself to investigate his own charges, I say it is a proceeding absolutely unheard of. In the case referred to relative to the Senator from Pennsylvania, the appointment was made by the Chair, as in all of these cases.

However, I started to refer to one of the "We all know" addresses of the junior Senator from Montana [Mr. WHEELER]. We had another one this morning. The Senator said "we all know" something about the President. Well, I do not know whether or not the President communicates with the Senator from Montana; certainly he does not communicate with me. Perhaps the Senator from Montana knows the mind of the President on this matter. He says "we all know" this. The other day the Senator made an address in which he said "we all know" so and so about the Attorney General; "we all know" so and so about Mr. Doheny and about somebody else then mentioned—I saved the newspaper, thinking it might be interesting—about Mr. Felder and about Mr. Jess Smith. There are a good many interesting things connected with that. The Senator in his charge in that favorite eloquent expression "everybody knows" and "we all know" made certain statements about Mr. Felder, whom I do not know and for whom I do not care, but Mr. Felder came back immediately and said that the statements were utterly false. In the same newspaper, which is before me, Mr. Doheny makes a similar statement. This is the same Mr. Doheny, the Senator will remember, who said that he voted 40 times for Mr. McAdoo at San Francisco and whose name was presented to the convention as a candidate for the Vice Presidency.

Mr. WHEELER. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Montana?

Mr. WILLIS. Certainly.

Mr. WHEELER. Is that the same Doheny who has now become spokesman for the Republican Party?

Mr. WILLIS. No; it is not the same Doheny, because no Doheny has become spokesman for the Republican Party. Mr. Doheny appears to be spokesman for Mr. McAdoo, and while the Senator is inclined to be interested in the matter, in order to help him identify this Mr. Doheny I will say this is the Mr. Doheny who was a member of the Democratic committee on resolutions at the San Francisco convention, who helped to write the platform of the Senator's party, a platform, by the way, which for the first time in American history, so far as I know, had an oil plank in it. Mr. Doheny was a member of the committee on resolutions, from which there was forthcoming the oil plank in the platform pointing out the desirability of securing foreign oil interests; and at about that time occurred the employment of Mr. McAdoo, for whom Mr. Doheny had voted 40 times. It is an interesting subject.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Montana?

Mr. WILLIS. I yield to the Senator from Montana.

Mr. WALSH of Montana. Will the Senator read us the plank to which he refers.

Mr. WILLIS. If I can find it, I will do so. I had it before me recently. The Senator does not question that there is such a plank, does he?

Mr. WALSH of Montana. No.

Mr. WILLIS. What I have before me is a list of the committee, and I had perhaps better read the names of some of the committee on resolutions.

Mr. WALSH of Montana. Will not the Senator read the plank to which he refers?

Mr. WILLIS. I will read it later, but I will first read some of the names:

Alabama, Borden Burr; Arizona, P. W. O'Sullivan; Arkansas, C. A. Fuller; California, E. L. Doheny.

Mr. Doheny was there delivering the goods, voting 40 times for Mr. McAdoo. He was also a member of the committee on resolutions. I do not know—I was not there—but no doubt he had considerable to do with this petroleum plank which I now read for the Senator:

The Democratic Party recognizes the importance of the acquisition by Americans of additional sources of supply of petroleum and other minerals and declares that such acquisition both at home and abroad should be fostered and encouraged. We urge such action, legislative and executive, as may secure to American citizens the same rights in the acquirement of mining rights in foreign countries as are enjoyed by the citizens or subjects of any other nation. [Applause.]

The Democratic convention liked that.

Mr. WALSH of Montana. Will the Senator now advise us what part of that resolution he does not agree with?

Mr. WILLIS. I am not discussing it; I am saying nothing about that. I am calling attention to the fact.

Mr. WALSH of Montana. I understand that; but I am asking the Senator a question: Is there any part of that resolution to which the Senator takes exception?

Mr. WILLIS. Well, Mr. President, the Senator can not commit me to the Democratic platform.

Mr. WALSH of Montana. No; I do not want to.

Mr. WILLIS. I am sure the Senator does not expect to do that.

Mr. WALSH of Montana. I understand the Senator is contending that it is wrong, and, of course——

Mr. WILLIS. I have said nothing about the quality of the platform. The people spoke on that, and they rejected it by 7,200,000 votes, so there is no use discussing that.

Mr. WALSH of Montana. The Senator declines to answer my question?

Mr. WILLIS. Oh, no, Mr. President.

Mr. WALSH of Montana. Very well.

Mr. WILLIS. I do not decline to answer the question at all, but I answer in my own way in my own time. I am not criticizing this plank.

Mr. WALSH of Montana. Very well, if the Senator is not criticizing it.

Mr. WILLIS. I was merely reciting the history of it.

Mr. WALSH of Montana. It is a sufficient answer, if the Senator is not criticizing it.

Mr. WILLIS. Very well. I am merely calling attention to an interesting bit of history in regard to a subject as to which the Senator from Montana seems to be very sensitive. I just pointed out the fact that this Mr. Doheny, one of the "everybody knows" persons about whom the junior Senator from Montana [Mr. WHEELER] talks, was a member of the committee on resolutions, and that the committee on resolutions adopted this petroleum plank, the first one, so far as I recall, in any national platform, and that at about that time the former Secretary of the Treasury, Mr. McAdoo, became very active in carrying out the terms of this plank and in acquiring foreign oil interests, for which he says he got $150,000, and that the fee was going to be $1,000,000 if he had been able to put it across.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield further to the Senator from Montana?

Mr. WILLIS. I yield.

Mr. WALSH of Montana. Will the Senator kindly give us the name of the Montana representative on the committee on resolutions?

Mr. WILLIS. I think I can turn to that in a moment. The name of the Montana member of the committee on resolutions was the distinguished senior Senator from Montana, Senator THOMAS J. WALSH.

Mr. WALSH of Montana. Will the Senator give us the names of the members of the subcommittee that drafted the platform?

Mr. WILLIS. The Senator can see the book I have here. I have before me merely a list of the committees.

Mr. WALSH of Montana. The Senator is so familiar with the proceedings of the Democratic conventions that I supposed he would have the names at his fingers' ends.

Mr. WILLIS. I have not gone far enough to discover that much; I may go into it further at some later time, for this McAdoo business develops very interestingly.

Mr. WALSH of Montana. But just now the Senator was telling us about the plank to which he referred.

Mr. WILLIS. And just now I do not know who the members of the subcommittee were.

Mr. WALSH of Montana. Very well. I will advise the Senator.

Mr. WILLIS. I can imagine that whoever constituted the subcommitee got in their work splendidly.

Mr. WALSH of Montana. I advise the Senator that the junior Senator from Virgina [Mr. GLASS] was charman of the committee, and I was also a member of it. I indorsed that plank, and I am glad to know the Senator from Ohio has nothing to say in criticism of it.

Mr. WILLIS. I am not attacking the plank; I am reciting its history.

Mr. HARRISON. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. WILLIS. I always yield to my friend from Mississippi.

Mr. HARRISON. The Senator is kind. Does the Senator think that this administration has lived up to the plank in the Republican platform that was adopted at the same time and which reads as follows:

> We passed an oil leasing and water power bill to unlock for the public good—
>
> "The public good" should be underscored—
>
> the great pent-up resources of the country; we have sought to check the profligacy of the administration, to realize upon the assets of the Government, and to husband the revenues derived from taxation.

Mr. WILLIS. Now let me answer the question.

Mr. WALSH of Montana. Will the Senator——

Mr. WILLIS. One at a time; they will last longer.

Mr. WALSH of Montana. Mr. President, will the Senator from Mississippi advise us whether that preceded or followed the platform adopted by the Democratic Party?

Mr. HARRISON. It preceded the Democratic platform.

Mr. WALSH of Montana. It preceded it. So that the Senator from Ohio was not quite as familiar with the history of the platform of the Republican Party as he seems to be with ours.

Mr. WILLIS. Now, Mr. President——

Mr. HARRISON. The question——

Mr. WILLIS. Let me answer my friend from Mississippi.

Mr. HARRISON. The question I ask the Senator——

Mr. WILLIS. Let me answer first. It will last so much longer, it will be so much more delightful, if the Senator will give me an opportunity to answer him first.

Mr. HARRISON. I do not want the Senator to forget the question.

Mr. WILLIS. Mr. President, I was about to say——

The PRESIDING OFFICER. The Senator declines to yield at the present time.

Mr. WILLIS. I will yield a little bit later, but let us have the questions one at a time.

What I was going to say was that evidently the Republican committee on resolutions were somewhat misled in that particular, because they proceeded to indorse an act which, according to common knowledge, was recommended by the former Secretary of the Navy, Mr. Daniels, under whose leadership the legislation was had.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Arkansas?

Mr. WILLIS. Certainly.

Mr. CARAWAY. At least, if they were misled as to its origin, they certainly realized on it, did they not?

Mr. WILLIS. They did not realize quite so largely as Brother McAdoo did. He got the cash right away. It was not sufficient to have collected the large amounts that were collected by presenting cases before the Treasury Department after he himself had been Secretary of the Treasury, and arguing cases before people who were his own appointees. He evidently cast an anchor to windward here, and had it all to the good with Brother Doheny and the rest of them.

Mr. WHEELER. Mr. President——

Mr. WILLIS. I yield to the Senator from Montana.

Mr. WHEELER. I should like to know whether the plank that was just read by the Senator from Mississippi was drafted before or after part of the delegates in the Republican convention from Wyoming, and from Illinois, and from Arkansas, and from Kentucky, had consulted with Mr. Joe Cannon in his room concerning the next Secretary of the Interior?

Mr. WILLIS. That is another of the "everybody knows" stories. I have finished with that. The Senator does not know anything about what he is now talking, and neither do I.

Mr. HARRISON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. WILLIS. I yield to the Senator.

Mr. HARRISON. I was afraid the Senator would forget to answer my question.

Mr. WILLIS. Oh, I did not.

Mr. HARRISON. No; the Senator has not answered it.

Mr. WILLIS. I did not forget to answer it.

Mr. HARRISON. I asked the Senator if he thought this administration had lived up to the principles enunciated in that plank.

Mr. WILLIS. I thought I had answered that when I said I thought it had not done so—nearly so fully as Mr. McAdoo and his associates had.

Mr. HARRISON. Oh! The Senator thinks, then, that Mr. McAdoo had lived up to his principles?

Mr. WILLIS. Why, apparently; it looks that way. I do not know, but it looks that way. Mr. Doheny was on the committee on resolutions, and got the oil plank in, and Mr. McAdoo got the $150,000, and said it was worth a million, when he never appeared in court at all; so I think Mr. McAdoo lived up to his opportunities pretty well. But I started to talk about these stories—these "what everybody knows" stories.

The Senator first said certain things about Mr. Doheny, whom I have now identified. Mr. Doheny came back in the papers the next day and announced that the statements made by the Senator were utterly unsupported, and, indeed, were false. He used that language. I have already referred to the statement he makes concerning Mr. Felder, which Mr. Felder repudiated; and the Attorney General stated, in a statement the next day, that there was no foundation for it so far as it related to him.

Mr. WHEELER. Mr. President, will the Senator yield?

Mr. WILLIS. The only statement that the Senator was able to get away with was the statement that he made about a

dead man. He makes a statement about poor old Jess Smith. I know nothing about his relationship to this matter. Everybody else that he charged came back at once and said that his statements were false; but Jess, being dead, could not speak on the subject.

Mr. WHEELER. And, of course, the Senator believes Felder, who is under indictment——

Mr. WILLIS. I have no opinion about Felder.

Mr. WHEELER. Of course the Senator believes Felder, who is under indictment and who is the personal friend of Mr. Daugherty; and, of course, he believes Mr. Doheny who if the Department of Justice had done its duty would have been in the penitentiary.

Mr. WILLIS. Mr. President, that is another one of these "what-everybody-knows" stories. The Senator is so kind as to indicate what I believe. I do not know Mr. Felder. I never saw him or had any relationship with him. I am simply pointing out the fact that every individual that the Senator, in irresponsible fashion, charges with things, came back within 24 hours and said there was no foundation for the charges—all except poor old Jess Smith, who is dead and gone. He could not reply, so the Senator ought to center his activities on Jess.

Mr. WHEELER. If the Senator had not blocked the appointment of the committee, the committee probably would have proved these things before now.

Mr. WILLIS. Mr. President, I have occupied more time than I had intended, and I would not have occupied this much time except for the interruptions.

Mr. DILL. Mr. President——

Mr. WILLIS. I say in perfect good faith, and without the slightest feeling against the Senator from Montana, that I think it is a very unusual proceeding for a Senator who makes charges to insist that he himself shall be a member of the committee to investigate the charges. What I should think the Senator would have preferred would have been to have a committee selected—I think it ought to be appointed by the Chair, but if the Senate decides to elect it, well and good—and then have the Senator present. I recall the hearings in the Watson case.

The late Senator from Georgia [Mr. Watson] was present at every session of the committee, cross-examined witnesses, and had the right to ask the committee to subpœna witnesses, and we did subpœna very many of them. It would seem to me that that would be fair; but if the Senator insists and the Senate insists that the prosecutor shall be a member of the jury, why, let the country judge of the fairness of the resolution.

Before I take my seat——

Mr. DILL. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Washington?

Mr. WILLIS. Just a moment. I ask unanimous consent, since it has been the subject of inquiry, to have printed in the RECORD at this point the letter from the Attorney General relative to his attitude toward this hearing. It has been printed in all the papers.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it will be so ordered.

The matter referred to is as follows:

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 22, 1924.

Hon. FRANK B. WILLIS,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I am informed that the resolution of Senator WHEELER, providing for an examination of the Department of Justice, may be called up for consideration at any time. I am taking advantage of your kindness and courtesy to me to place before you a few of the thoughts that occur to me in connection with the pending resolution.

I wish you to understand, and I authorize you to say to the Senate, that any committee of investigation which the Senate, in its judgment, may appoint will be accorded every facility which the Department of Justice affords in order that a thorough investigation of all of my official acts and of the Department of Justice may be made fairly and systematically. I believe and know that such an investigation will satisfy the Senate and the country that the Department of Justice has been and is being conducted with a high degree of efficiency, and that the rights of the Government have been and are at all times fully and amply protected.

I note by the resolution that the committee is instructed to investigate my alleged failure to arrest and prosecute Albert B. Fall, Harry F. Sinclair, E. L. Doheny, Charles R. Forbes, and their alleged coconspirators.

It is interesting to remind you that before the introduction of this resolution I requested the President to relieve me of the responsibility of prosecuting Albert B. Fall, and those with whom he is alleged to have been acting in collusion, because of the fact that Mr. Fall had been a member of the Cabinet in which I also served, and that the country might be better satisfied to have the conduct of the prosecution in control of lawyers in no way connected with the Government. You know that the President, approving this suggestion, did place this whole matter in the hands of two of the ablest lawyers in this country, Hon. Atlee Pomerene and Hon. Owen J. Roberts, whose appointments have been confirmed by the Senate, and who are now in full charge of the particular matters referred to in this resolution.

Realizing the difficulties confronting these distinguished lawyers, I have extended to them every possible facility afforded by the Department of Justice in a formal letter addressed to them, and I am attaching hereto a copy of that letter so that it may be available for reference at any time.

The resolution complains of my failure to prosecute Charles R. Forbes. You know, Senator, and I can not understand how Senator WHEELER has failed to note, the activities of this department in connection with this matter. It has been placed in charge of Hon. John W. H. Crim, who was appointed by me on December 15, 1923, in prompt cooperation with the Reed committee and after conference with and approval by Chairman REED and his associates on the committee investigating the Veterans' Bureau matter. Mr. Crim is being assisted by Maj. Davis Arnold, who so ably aided the Reed investigating committee, and by other assistants. The case is now, and has been for weeks, under thorough investigation by a special grand jury at Chicago (which jury I requested the court to impanel for the purpose of considering this case long before the resolution criticizing me in this case was introduced).

I have observed in the press insinuations that so-called high officials bought and sold Sinclair Consolidated Oil Co. stock upon information regarding the making of the oil leases, the inference being that they profited thereby. In view of such publications, I desire now to deny all such insinuations and inferences and to give the facts in this connection, in so far as they relate to me personally.

Before I became Attorney General or seriously considered any connection with the Government, from time to time in the ordinary course of my personal investments, I bought and paid for some stock in the Sinclair Consolidated Oil Co. Six months after the execution of the Teapot Dome lease, of April 7, 1922, endeavoring to recoup my losses in said stock, I sold a portion of my holdings therein acquired and paid for as aforesaid before I became Attorney General. Thereafter I bought back and paid for the same amount of said stock thus sold at a price slightly less than the price for which the same amount had been sold. Finally, in the fall of 1923, I sold all of my holdings in said company acquired prior to by becoming Attorney General at a net loss to me of about $28 per share. In addition to this transaction I bought 18 shares of said stock in the year 1922, the year the Teapot Dome lease was executed, which I acquired for the sole purpose of rounding out my holdings in said stock.

This is the story which the testimony will reveal, and I am glad to have the Senate know of my personal business transactions in said stock in 1922. There is nothing unusual in this transaction; nothing improper; nothing indiscreet; and nothing to conceal.

During the year 1922, the year in which the Teapot Dome lease was made, with the exception above stated, I neither bought nor sold any stocks in any of the so-called Sinclair or Doheny companies or in any other companies which were interested, directly or indirectly, or were affected or could be affected by the oil leases under consideration. I desire to say further that since I have been Attorney General I have never acted upon any information received as Attorney General which resulted in my personal profit. I was not called upon by Secretary Fall or anyone else for an opinion, written or oral, in regard to the wisdom or legality of the oil leases, and I never volunteered an opinion, either written or oral, to Secretary Fall or anyone else. I had no part of any kind or character, directly or indirectly, in the negotiations leading up to the execution of the oil leases; no information ever came to me in connection therewith, and the leases were executed without my knowledge and without any official requirement or opportunity on my part to know of their execution.

The charges and complaints in connection with any official acts of mine as Attorney General and against the Department of Justice, will, I hope, be made as specific as possible, in order that I may promptly file a complete answer thereto and assemble the testimony so as to develop the truth and the whole truth.

In conclusion, Senator, I shall be glad if I might have the privilege of having counsel present at all the hearings of the committee, with the right extended to them to interrogate any and all witnesses.

After the testimony has been presented by those making the charges, and I am thus advised as to what I am actually charged with and the testimony in support thereof, I further respectfully request the right to produce testimony before the committee on motion of my said counsel, and have process to compel attendance of such witnesses.

I trust that the investigation may be conducted and completed as promptly as thoroughness will permit. My only reason for asking this is that while these investigations are pending against the Department of Justice, the official force of the department is necessarily taken from duties which are pressing and in the interest of the Government; and also that as speedily as possible those innocent of any connection with the matters under investigation may be freed from suspicion and those guilty be brought to justice.

Very sincerely yours,

H. M. DAUGHERTY,
Attorney General.

DEPARTMENT OF JUSTICE,
OFFICE OF THE ATTORNEY GENERAL,
Washington, D. C., February 19, 1924.

Hon. ATLEE POMERENE,
Hon. OWEN ROBERTS,
Special Counsel for the United States Government,
Washington, D. C.

GENTLEMEN: On January 26, from Miami, Fla., I sent the following telegram to the President of the United States:

"May I again urge the desirability your immediately appointing two outstanding lawyers who as such shall at once take up all phases of the oil leases under investigation by the Senate or others and advise you as to the facts and law justifying legal proceedings of any kind. As you know, I do not desire to evade any responsibility in this or any other matter, but considering that Mr. Fall and I served in the Cabinet together this would be fair to you, to Mr. Fall, and to the American people, as well as to the Attorney General, the Department of Justice, and my associates and assistants therein. I do not desire to be consulted as to whom you shall appoint. The only suggestion I have to make in that regard is that those appointed shall be lawyers whom the public will at once recognize as worthy of confidence and who will command the respect of the people by not practicing politics or permitting others to do so in connection with this important public business. Their work can be done with or without the cooperation of the Department of Justice or any person connected therewith, as you and they may desire. The Department of Justice is at all times in this or any other matter at your service and at the service of your appointees in this connection."

On January 27 President Coolidge issued the following statement:

"It is not for the President to determine criminal guilt or render judgment in civil causes. That is the function of the courts. It is not for him to prejudge. I shall do neither; but when facts are revealed to me that require action for the purpose of insuring the enforcement of either civil or criminal liability, such action will be taken. That is the province of the Executive.

"Acting under my direction, the Department of Justice has been observing the course of the evidence which has been revealed at the hearings conducted by the senatorial committee investigating certain oil leases made on naval reserves, which I believe warrants action for the purpose of enforcing the law and protecting the rights of the public. This is confirmed by reports made to me from the committee. If there has been any crime it must be prosecuted. If there has been any property of the United States illegally transferred or leased it must be recovered.

"I feel the public is entitled to know that in the conduct of such actions no one is shielded for any party, political, or other reasons. As I understand, men are involved who belong to both political parties, and having been advised by the Department of Justice that it is in accord with former precedents, I propose to employ special counsel of high rank, drawn from both political parties, to bring such actions for the enforcement of the law. Counsel will be instructed to prosecute these cases in the courts so that if there is any guilt it will be punished; if there is any civil liability, it will be enforced; if there is any fraud, it will be revealed; and if there are any contracts which are illegal, they will be canceled. Every law will be enforced and every right of the people and the Government will be protected."

With my cordial approval, the Department of Justice has been represented by an Assistant Attorney General in constant attendance since January 22, 1924, at all hearings before the Committee on Public Lands and Surveys of the United States Senate.

Following each session of the committee conferences have been held at the Department of Justice with a view to protecting the rights of the public and the preparation of the machinery of this department for cooperation and use as warranted by the facts developed at the hearing or elsewhere obtained by the department.

It may be that beginning with the next hearing before the committee you will either personally or by representative of your choice observe the proceedings before that body. If not, and you prefer to have the further services of the Assistant Attorney General at these hearings, I shall be pleased to have you advise me and your wishes will be cheerfully complied with.

Congress will undoubtedly place at the disposal of the President a sum sufficient for the prosecution of your work. Notwithstanding this, I apprehend that you may need the assistance of the Department of Justice, or at least some of its agencies. In so far as it may be needed the organization of the Department of Justice is at your disposal, and I trust that you will not hesitate to call upon me for whatever assistance may be rendered by me, either personally or officially, or by the Department of Justice or any official or person connected therewith.

It may be that you will require additional authority in order to appear before grand juries in conducting your investigations; and if so, this authority will be given promptly upon application therefor.

I fully appreciate the magnitude and difficulty of the work which you are undertaking. The Department of Justice will assist you in every way, to the end that wrongdoing may be punished without fear or favor.

With assurances of esteem and respect, I am

Very truly yours,

H. M. DAUGHERTY, *Attorney General.*

Mr. WILLIS. Now I yield the floor, or I yield to the Senator from Washington, if he desires to ask a question.

Mr. DILL. I wanted to ask the Senator about this question of propriety, since he has been talking about it. I want to know what he thinks of the propriety of a certain telegram that was sent to Mr. McLean on the 16th of January. I want to read it to the Senator:

Informed that investigation is being made by Senate committee to determine if you had $100,000 in cash in any bank at the time you testified you gave Fall check for that amount. Thought I had better advise you concerning this phase. Regards.

ROCHESTER.

And "Rochester" is the confidential publicity man in Mr. Daugherty's office at this time. Now, speaking of proprieties, I want the Senator's opinion as to the propriety of the confidential man of the Attorney General informing the man who was being investigated by the committee of a matter of that kind?

Mr. WILLIS. If it is a fact that anybody connected with the Department of Justice was giving information to Mr. McLean, I regard it as highly improper, and he ought to be punished.

Mr. WHEELER. Mr. President, will the Senator yield for one more question?

Mr. WILLIS. Yes.

Mr. WHEELER. I notice in last evening's paper that it says that on January 23 Major wired to McLean as follows:

Willis in full possession of matters. After battle of wits between Lambert and myself, this was accomplished.

It could not possibly be the Senator from Ohio, could it, that that refers to?

Mr. WILLIS. Mr. President, the fact that the Senator is willing to give publicity to a thing like that is the best proof in the world that he is not fit to sit upon this committee of investigation. I say to him now that any imputation that he would make that I have had any communication with any of the people referred to is as false as anything could be. I know nothing about the matter to which he is referring. I know nothing of these parties, and the telegram is an enigma to me; and yet the Senator introduces it here in the hope that he may get something before the country to the effect that I am connected with it. I repudiate it absolutely and deny it as vigorously as I may, and say that, to my mind, the fact that he could do a thing of that sort is proof that he ought not to be a member of this committee.

Mr. WHEELER. Mr. President, will the Senator yield for just one more question?

Mr. WILLIS. All right.

Mr. WHEELER. I want to say that last evening's paper stated that Senator WILLIS was the man. I just simply wanted to give the Senator an opportunity——

Mr. WILLIS. What paper said that "Senator WILLIS was the man"? I challenge the Senator to read it.

Mr. WHEELER. The Washington Times.

Mr. WILLIS. Will the Senator read the portion of it that says that "Senator WILLIS is the man"?

Mr. WHEELER. It says that the Senator's name——

Mr. WILLIS. Read it. I challenge the Senator to read it.

Mr. WHEELER. Yes; I will if the Senator will just wait a minute.

Mr. WILLIS. I do not care for the Senator's interpretation. I want the reading of the article.

Mr. WHEELER. It says:

The names of Senator WILLIS, of Ohio, * * * were found in messages sent to McLean.

Mr. WILLIS. Very well.

Mr. WHEELER. Is there any interpretation that I have put on that? Then it goes on, quoting this telegram. I simply say to the Senator that I asked him the question in order that he might clear up the matter before the Senate.

Mr. WILLIS. Yes—well, there is not any doubt about it. I do not know whether there is doubt in the Senator's mind or not, but I say to him that any newspaper or anybody else, in the Senate or out of it, that says that I have had anything to do with this matter, or have sent or received any telegram, states that which is a wicked, cowardly, malicious falsehood.

Mr. WHEELER. There is not any question in the Senator's mind about what the paper says, is there?

Mr. WILLIS. I am giving the Senator the facts. I am not discussing papers.

Mr. HARRISON. Mr. President, may I say to the Senator——

The PRESIDING OFFICER. Does the Senator from Ohio yield to the Senator from Mississippi?

Mr. WILLIS. I yield to the Senator.

Mr. HARRISON. May I say to the Senator that he can get consolation out of the fact that "Cherries" and "Apples" and "Apricots" and "Peaches" were also named in this telegram.

Mr. WILLIS. Well, I was not one of them. That might be the Senator; he is a peach.

Mr. STANLEY. Mr. President, it is always a Senator's province to yield to a colleague on this floor or to refuse to yield. It is not the custom of Members of this body to make charges at once offensive and untrue and to refuse to an injured adversary the opportunity to then and there answer the unwarranted statement. I was amazed—more amused than amazed—at the peculiar courage of the Attorney General's sponsor. It is a kind of courage about which I know little and about which brave men, as a rule, care less.

I asked the Senator a courteous question—Where was the Attorney General now? The Senator from Ohio immediately stated that I knew where he was, and knew what took him there, and that with that knowledge my question was indecent.

Of course, if language of that kind had been used by a man who was at that time in possession of his senses, and who understood the weight and force of the English language, I should have resented it; but, owing to the peculiar mental condition of the Senator from Ohio, I excuse it as but another evidence of the frenzy that has possessed him for the last hour. But I do say to the Senator, who is so prompt in telling people when they lie, that the Senator from Ohio did not know and has no way of ascertaining what I know or think. If I thought the Senator from Ohio could discern my mental processes, I should pray God for another mind. I knew nothing about Daugherty's wife, or whether he had a wife or not, or whether she was sick or well. I know Daugherty is sick, and I know he has gone to the same health resort where Doheny and Fall and the rest of them were found.

Mr. CARAWAY. And McLean.

Mr. STANLEY. Yes. I have never yet struck at a woman, and I have never yet respected the man who would hide behind the skirts of a woman, be she sick or well.

Mr. HEFLIN. Mr. President, the Senator from Ohio [Mr. WILLIS] a moment ago said that McAdoo had gotten cash for representing Doheny and had gotten it right away. I want to remind the Senator and the Senate what I have said here a number of times, that Mr. William Boyce Thompson, the treasurer of the Republican campaign committee in 1920, a stockholder and a director in the Sinclair Oil Co.——

Mr. WADSWORTH. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New York?

Mr. HEFLIN. In a moment; borrowed three and a half million dollars on a dummy note. There were $5,000,000 borrowed in all. Three and a half million of it was on a dummy note, and Sinclair oil stock was used as collateral.

Now I yield to the Senator from New York.

Mr. WADSWORTH. I merely wanted to ask the Senator if it was not a fact that Mr. Upham was treasurer of the Republican National Committee, and not Mr. Thompson?

Mr. HEFLIN. No; Mr. Thompson was treasurer at the time I speak of.

Mr. WADSWORTH. Not in 1920. The Senator is wrong.

Mr. HEFLIN. He was connected with it, I understand, and he got this money. I have intimated here before that I believe that this money was used by the Republican Party to help carry the election in 1920. This committee—and its chairman is a Republican from Wisconsin—can summon Mr. William Boyce Thompson, and I ask the chairman to summon him and to question him about these matters. I challenge him to summon him to appear and testify before the committee. That issue can be joined.

I have a statement by a former official of this Government, who is a patriotic citizen and as honest as Paul, and I get these facts from him, and he is ready to testify. I want William Boyce Thompson brought to Washington, and I want certain questions asked him. We will find out then, if he will tell the truth, the part the Sinclair Oil Co. played in the Republican campaign in 1920.

The Senator from Ohio [Mr. WILLIS] refers to Doheny being in the Democratic National Convention trying to get over an oil plank. Mr. President, it seems that the one in the Republican platform was more to his liking. He has left the Democratic Party. He could not carry out his schemes in the Democratic Party as he wanted to. He has gone out of the Democratic Party and has gone over to a party that is doing entirely as he would have it do, and he has come to Washington and issued a statement in the administration paper urging the people to support the Republican administration. There is no getting away from the fact that Doheny is supporting the Republican administration at this time, and will, of course, support the Republican ticket in the election in November.

Mr. President, the further this thing goes the worse it gets. It looks to me as if it is going to involve finally nearly every Republican official high in authority. Reaching, as it does, into nearly every nook and corner of the administration, it calls to mind two old familiar lines about a dog—

> Whose name was Rover,
> And when he died he died all over.

It looks as if the time has come for the passing of the Republican Party as it is manipulated and controlled to-day.

I called attention here yesterday to the fact that every day Doheny's pumps are running, and Sinclair's pumps are running, in the oil reserves of the Nation, one pumping out 3,000 barrels, the other 4,000 barrels.

I want now to call to the attention of the Senate the fact that since we appointed two attorneys, supposed to be learned in the law, supposed to be especially equipped to represent the Government and do this work and do it speedily, Doheny and Sinclair have pumped out of the Nation's oil reserve 84,000 barrels of oil. They are pumping it out to-day. They will pump it out to-morrow, and on and on, until somebody sends up there and stops them and takes away from them this property of the people of the United States.

The distinguished Senator from West Virginia [Mr. NEELY] in an able and eloquent speech in the Senate not long ago showed how alert were Republican officials under a Republican administration to do Mr. Sinclair's bidding, to be Johnny-on-the-spot where his interests were at stake. He said, after stating what had transpired up there:

> I read the headlines of an article that appeared in the New York Times July 30, 1922, as follows:
>
> "Marines to eject oil-land squatters. Roosevelt orders a detachment to Teapot Dome reserve to stop drilling. Trespassers claim title. Mutual Oil Co. official says it is as good as leases held by Sinclair."

Commenting, the Senator from West Virginia said:

> Why should the administration not deal as drastically with the bribers of a Republican Cabinet officer and the despoilers of the Nation's oil reserve as it formerly dealt with trespassers on Teapot Dome?

Mr. President, that is a strong statement and a very pertinent inquiry. Marines could be sent to keep these people off of Sinclair's Teapot Dome property, or property that he claimed. The people there were stopped immediately from drilling wells. But Sinclair has drilled his wells; he has put in his pumps.

He has a pipe line, as I stated before, running to Kansas City, Mo., with stations every 40 miles of the way, and to-day this oil is being pumped out just as rapidly as they can get it out. No Government official has been sent to stop Sinclair. No marine has been called out by the Assistant Secretary of the Navy. No United States marshal has appeared upon the scene to stop these people from taking this oil out. No petition for an injunction has been filed so far as I know by the two attorneys, Mr. Pomerene and Mr. Roberts. In 10 days from this time, if an injunction has not been issued and this pumping of oil has not been stopped, I will favor removing those two attorneys and appointing two country lawyers, who will go immediately into this thing and stop it within 24 hours.

If a man's jugular vein is cut and you send for a doctor and the patient is bleeding to death, does he sit down and open a book and say, "I am going to read for 24 hours, or longer, and study

up on the case, before I undertake to stop the flow of blood and save your life"?

That is the situation yonder. The oil is being taken out. It is the oil of the people. We said so. We have instructed these two lawyers to go and stop the taking of that oil out, and take this property over; but nothing has been done.

Who appointed these attorneys? The President. They are under his direction and control. Has he instructed them to go out there and stop them from taking this oil out of the ground? I have not heard of it if he has. Why does he not do that? I have a right to ask that question; why does he not do it?

I have here a letter from Mr. H. L. Scaife, written to Chairman LENROOT on February 26. The latter part of that letter reads as follows:

> After the introduction of the La Follette resolution under which your committee is now sitting, Mr. Means suggested to me that I make an effort to be appointed as an investigator for your committee, and he later told me that Mr. Burns had spoken to Senator BURSUM in my behalf and requested me to call on Senator BURSUM and discuss the matter, which I did. After I had seen Senator BURSUM, Means suggested that I talk to Senator SMOOT, which I did. Senator SMOOT indicated to me that there would probably be no investigation except by geologists. While, as already stated, I attached no significance to the matter at the time, in view of developments before your committee, I now recall how insistent and keen were Mr. Means's efforts to ascertain my opinion as to whether or not the committee was going forward with a real investigation.

Mr. SHIPSTEAD. Mr. President——

The PRESIDING OFFICER (Mr. MOSES in the chair). Does the Senator from Alabama yield to the Senator from Minnesota?

Mr. HEFLIN. Yes; I yield.

Mr. SHIPSTEAD. I think I can allay the Senator's concern, because within 10 days I saw in one of the Washington papers Mr. Doheny quoted as saying that he had plenty of confidence in the attorneys who had been appointed to prosecute him.

Mr. HEFLIN. That he had confidence in these two attorneys?

Mr. SHIPSTEAD. Yes.

Mr. HEFLIN. From the way they are performing, it seems as if his confidence is not misplaced.

I am not going to shield any Democrat, or Republican, either. One of those attorneys is a Democrat, and the other is a Republican. I stated at the time I voted for them that I wanted somebody to get in action and stop the taking out of the earth this oil of the Nation, and to take this property over, and that I had no assurance we could get better attorneys, or that the President would send us the names of more competent men.

In view of the fact that 12 days have come and gone and nothing done to protect this property it looks as though I have made a mistake in voting to confirm these men. I have not practiced law in 20 years, but I know enough about law yet to know that all that is necessary would be for these lawyers to go into the court and ask for an injunction to stop the pumping of this oil out. Until when? Until the rights of the parties were decided. If this property does belong to the Government, are we going to let them keep pumping the oil out, and when the case is decided at some distant day have Doheny say, "You can have what is left," and Sinclair say, "You can have what is left; we have pumped all the oil out. We do not care anything about the old hull of a hill that is left there. We have the oil. What are you going to do about it?" Oh, Mr. President, our lawyers and our President are moving very slowly in this matter. The people are entitled to action, immediate action. But what is going on reminds me of what the poet Markham said about the "Slow creep of the patient mole."

Those are the tactics being employed by the administration to apprehend these millionaire criminals. I am not going to remain silent when such is the case.

Every man and woman in this country, I do not care whether rich or poor, are interested in this important matter and we should speak out in open meeting for them.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. HEFLIN. I yield.

Mr. LENROOT. I would like to suggest to the Senator from Alabama that if he can tell the counsel the jurisdiction in which these actions should be brought, if he himself will sit down and dictate the pleadings which must be drawn, he might be of very great assistance in expediting this matter.

Mr. HEFLIN. Oh, Mr. President, I am not called on to sit down and write the pleadings. If you will have these two attorneys resign, and save the money we are to pay them to the people, I will undertake to do it, and we will save this fifty-odd thousand dollars we are going to pay these lawyers.

Whom do they represent in this long delay? They are not representing my view of the matter, and I am speaking in part for the people of a sovereign State. The Senator from Wisconsin smiles. It does not seem to disturb him that they are not stopping the taking out of this oil; but I want it stopped, and the American people want it stopped. This letter to him [Mr. LENROOT] from this gentleman says that the impression prevailed that there was not going to be any real investigation, and Senator SMOOT, the former chairman, told this gentleman that there probably would not be an investigation except by the geologists. It does not take a geologist to investigate this case. It requires the investigation of a grand jury and criminal indictments. It takes somebody who has the courage, and who has clean hands, to stand up and fight in order to get at the truth, and the whole truth.

The PRESIDING OFFICER. The hour of 2 o'clock having arrived, the Chair lays before the Senate the unfinished business, which is the bill (S. 2250) to promote a permanent system of self-supporting agriculture in regions adversely affected by the stimulation of wheat production during the war, and aggravated by many years of small yields and high production costs of wheat. Under the unanimous-consent agreement the unfinished business will be temporarily laid aside to enable the Senate to conclude the consideration of Senate Resolution 157. The Senator from Alabama will proceed.

Mr. HEFLIN. Mr. President, I was about to say that you can not apprehend a crook and a criminal by any milk and cider process, nor by people who blow both hot and cold out of the same mouth. You have to have somebody that is in earnest, that feels that he has a mission to perform, and that he is there to perform it. We do not want somebody who is afraid he will offend Mr. Sinclair or offend Mr. Doheny or Ed McLean. Was ever a witness treated with the consideration that this man has received—pampered, played with, put off, postponed? Why, Mr. President, he never has yet appeared before the committee. I ask the committee to summon him now, and the chairman sits before me. Why do you not bring Ed McLean before the committee?

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. HEFLIN. I certainly do. I am asking him a question.

Mr. LENROOT. I will say in answer to the Senator from Alabama that Mr. Ned McLean was subpœnaed; he is under subpœna before the committee every day, and just as soon as the committee can finish its work upon the telegrams that have passed, so that they are in the condition to examine Mr. McLean—many of the telegrams are in code—we expect Mr. McLean will, of course, appear before the committee; but he is under subpœna to-day, and has been.

Mr. HEFLIN. He is in Washington, I understand.

Mr. LENROOT. He is.

Mr. HEFLIN. It takes a long time to get him before the committee. I wonder if his health is good? Mr. President, many a man has lost his health since this thing started; and just as soon as we jump one of them he hits for Florida, post-haste, like a jack rabbit across the plains, going down to rest and recuperate. The Senator from Ohio [Mr. WILLIS] in his speech a while ago talked about Mr. Daugherty going to Florida because of sickness in his family. An article in a newspaper here in Washington recently reported that he went down there before, and there was some talk that he was hiding out. He said there was no truth in it; that he was down there playing and resting for his health, or words to that effect. I wonder if he feels the need of recuperation now? He is gone; but he did not leave, I understand, until he defied the powers that be in the White House. Why did he leave, as it were, shaking his fist at the White House? I have a paper on my desk here that will throw some light on the subject—

> Republicans now fear Daugherty—

This is from the Nashville Tennesseean, published at Nashville, Tenn., Monday morning, February 25, 1924. I will begin again. The headlines read:

> Republicans now fear Daugherty may be Samson. G. O. P. leaders dodge finish battle. Think party may go down in crash. Knows too much. Smear of oil can be seen in incidents leading to naming of a President.

Those are the headlines of this paper—that Daugherty is walking about under the Republican temple feeling the col-

umns and trying out his strength, and may shake down the whole Republican convention that is assembled in the hall above his head, and that he has the forces with him to do it. Is that why the President does not ask him to resign? Why does he not ask him to resign?

I have seen a letter that will be shown in this investigation that it is said he wrote to a district attorney in the West that will open the eyes of the Senate and of the Nation. In the case that I am speaking of now a Republican national committeeman is involved, and instead of going after him and apprehending him the Attorney General was writing a letter to a district attorney whose duty it would be, I understand, to prosecute him that any favor that was granted would be highly appreciated, and, among other things, used these words: "He is our man." Oh, Mr. President, the trail of the serpent is over it all. It gets worse the further we go.

Now, since the Senator from Wisconsin [Mr. LENROOT] is present and has made an excuse which is not satisfactory to me about why Ed McLean has not been summoned——

Mr. WADSWORTH. Mr. President, will the Senator yield at that point?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from New York?

Mr. HEFLIN. I do.

Mr. WADSWORTH. Does the Senator think Mr. McLean should be summoned before the examination of the telegrams which passed between the city of Washington and Mr. McLean in Florida is finished?

Mr. HEFLIN. I think I would have called him before any of them were gone into and then I would have called him back again. I would have had him there twice, and maybe three times. That is the way to do with witnesses when you are trying a case. When the other side produces testimony that is contrary to the position you take, you bring in somebody to rebut it, and then give them an opportunity to come in and put up testimony to explain that, and then you refute that if you can. But Mr. McLean stays out, and he stays away for weeks way down in Florida. Some I am satisfied do not want him, and many efforts are made to keep him from coming, and they have succeeded, it seems, up to this time.

Mr. LENROOT. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. HEFLIN. I do.

Mr. LENROOT. I would like to say to the Senator from Alabama that the chairman of the committee stands ready and has stood ready to call Mr. McLean to the stand, under the subpœna under which he now stands, at any moment that the Senator from Montana [Mr. WALSH] may request him, but there has been no difference among the Democratic and Republican members of the committee as to the course that should be pursued with reference to McLean, which is that the committee should conclude the investigation of the telegrams before Mr. McLean is called.

Mr. HEFLIN. I do not see any members of the committee present just at this time. I think they have gone to lunch.

Mr. LENROOT. The Senator from Wyoming [Mr. KENDRICK] is present, and he is a member of the committee.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wyoming?

Mr. HEFLIN. Certainly.

Mr. KENDRICK. I want to corroborate the statement made by the Senator from Wisconsin, so far as I know. It has not been possible for me to attend all of the meetings, but whenever I have been there there has been no refusal to summon any witness that the committee thought it was right and proper to summon.

Mr. HEFLIN. I am not charging that there has been any refusal to summon a witness. I am complaining that Mr. McLean has not been summoned before the committee—to appear before the committee and testify long before now. The Republican Party is in power. The Republicans are in the majority here. The Republicans have the authority to lead in this matter, while they have not done so. Senator WALSH of Montana, a Democrat, had the lead, poorly supported at times, according to my judgment, but the chairman of the committee is a Republican. He could summon Mr. McLean without consulting the committee.

Mr. KENDRICK. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield further to the Senator from Wyoming?

Mr. HEFLIN. I do.

Mr. KENDRICK. I think perhaps my statement did not convey exactly the impression that I wanted to have it convey in reference to the summoning of witnesses. I want to say here, as one who has been in attendance, as I said a moment ago, that I have never seen the slightest failure to acquiesce in the summoning of witnesses on the part of our chairman. He has immediately issued subpœnas whenever the suggestion has been made by any member of the committee that he would like to have a witness summoned. On all occasions that has been true.

Mr. HEFLIN. I am not talking about what the members of the committee might suggest. The chairman ought not to wait to have the members to make these suggestions. The chairman of a committee who is directing an investigation does not and should not have to consult members always before issuing subpœnas. He can issue subpœnas, and it is his duty to move in the matter, and no chairman who is the head of a committee investigating a great subject like this ought to have to wait for somebody to suggest who ought to be summoned.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. HEFLIN. I do.

Mr. LENROOT. I will state to the Senator from Alabama that the chairman of the committee has issued subpœnas of his own volition; but it is true that the Senator from Montana [Mr. WALSH] has assumed the active part in the prosecution of the investigation. The Senate must know, if the Senator from Alabama does not know, that there can not be two directing heads in any investigation. There must be cooperation. There has been cooperation. The Senator from Montana has undertaken the prosecution. He has not met at any point or at any time any refusal of cooperation upon the part of the chairman of the committee.

So far as the summoning of Mr. McLean is concerned, does the Senator from Alabama under the circumstances think that the chairman of the committee, without the consent of the Senator from Montana, should undertake to put Mr. McLean upon the witness stand?

Mr. HEFLIN. I would have summoned him regardless of every member of the committee if I was chairman of it, because I think that he has some very important information. I think it ought to be brought out. I would ask him what about a private wire he has that runs into the White House or is operated by the White House telegrapher.

Mr. LENROOT. Mr. President, I have repeatedly stated to the Senator from Alabama that Mr. McLean has been summoned. He is under subpœna to-day before the committee. He is here in Washington and he is going to be examined.

Mr. HEFLIN. That is it—he is going to be examined, and Christmas is going to come. Yes, he is going to be examined. There is no doubt about that. He is not the only one that is going to be examined, because this matter belongs to the public now. It is a United States question. There is not going to be any shielding in it. The high and the low, the rich and the poor are going to be summoned if I and other Senators that I know here can find out that they have information on the subject. The whole truth must be brought out.

The Senator from Ohio [Mr. WILLIS] spoke about smoke screens being thrown out. I have not seen any smoke screens, except one that Daugherty threw out just before he departed. I confess that his attitude presents an amazing situation to the country of an Attorney General who has been arraigned as he has; facts have come out here in the Senate for two years regarding him, the record is full of things against this man, and still he holds on. He goes to the White House and talks to the President. We are told that the Senator from Idaho [Mr. BORAH] was called by the President to lay before him certain things that he knew about Mr. Daugherty's official conduct and reasons he had why he should be asked to resign from the Cabinet.

The story goes that the President said, "I want you to tell me again what you said to me before," and that Senator BORAH started to relating it again in detail and that Mr. Coolidge, the President, said, "I think Mr. Daugherty ought to be present," and BORAH said, "All right." Then the President touched a button, and within a minute's time Mr. Daugherty walked in. He was already in the White House. He walked in, and the story is that Mr. BORAH, the Senator from Idaho, continued to relate the story and related it in detail before the President and Mr. Daugherty.

No one can say that the President does not know about some of these facts. No friend of the President can say that he is not acquainted with some of these charges in detail. That can not be said. Some have tried to show that he was not here when the Teapot Dome matter was up for discussion and that he was not in the Cabinet when it was discussed there, but Senator BORAH knows that he was present when he told the President,

in the presence of Mr. Daugherty, all of the things that he had to relate concerning him and why he should be asked to leave the Cabinet.

Smoke screen? Where is the smoke screen, Mr. President? The Senator from Wisconsin [Mr. LENROOT] and the Senator from Utah [Mr. SMOOT] both during this oil investigation have asked questions of Mr. Magee, a very important witness against Mr. Fall, that indicated that they were trying to browbeat or discredit him.

They asked what his politics was. One of them asked, I believe, if he had supported Fall; whether he was a Democrat or Republican. He said that he had not supported Fall; that when he found out how things were being run in New Mexico he turned and fought the machine; that he went there as a Republican, but he found conditions so bad that he changed around and commenced to run an independently Democratic newspaper. They went on to ask him about his sojourn down there. He said in substance that Mr. Fall said to him, "The land office in this State has been organized to suit me." Twelve million acres of land have been given the State by the Government, and the whole situation is just as the cattlemen in southern New Mexico want it. He went his way. Later on he attacked the way they were operating the land office; he complained about how they collected a million and more dollars and held it instead of turning it over to the State. The Senator from Wisconsin [Mr. LENROOT] asked him what kind of an administration was that—Democratic or Republican? He said it was Republican. That must have been to the Senator from Wisconsin a disappointing answer.

Then members of the committee went on and asked, "What became of the thing finally?" He replied in substance, "Well, Mr. Fall came to my office; my wife told me that he was there waiting for me. I walked in; Mr. Fall took up a newspaper, handed it to me, called my attention to an article criticizing the land office, and so on, and asked, 'Did you write that?' I said, 'Let me put on my glasses,' which I did. I looked at the article and replied, 'Yes; I wrote it.' He said, 'I want you to back off from that.' I said, 'No.' He said, 'Did I not tell you that the land office was organized down here to suit me'—Fall. 'Yes; but it is not organized to suit me.'"

Then what? Fall said, "I am going to break you," meaning financially. Dollars and dimes! I said the other day, and I repeat it now, the time has come in this country when the dominating power—which at this time is the Republican Party—puts more emphasis upon the dollar than upon anything else on earth. Going to destroy his business. Why? Not because he was wrong, for Magee was right, but because he antagonized the corrupt powers of New Mexico. Fall was at their head and he said, "I want you to quit this attack." Magee said, "I will not do so." He was a poor newspaper man, who was struggling along. Fall then said, "I am going to break you." He was going to impoverish him, to put him out of business, put him where he could not fight for the good of the State whose civic institutions he had sworn to support and sustain.

Now let us follow that a little further. What happened in reference to Mr. Magee? Mr. Magee stated that Senator BURSUM came to see him, and said, in substance, "Magee, you owe a note at a certain bank for $30,000"—I think that was the amount—"which comes due on the 26th of April." Magee said, "I was astounded; I did not think anybody knew anything about that deal but myself and the banker from whom I had borrowed the money to help run my newspaper." "Well," Magee asked, "what is the trouble?" And if I recall the testimony correctly, Senator BURSUM said that they were going to collect the note; and later some one said, "You think you are going to renew the other note, but they are not going to let you renew it." Magee replied, in effect, "They have already promised that they would let me renew the note." They were going to drive this newspaper man to the wall. I repeat what I said a little while ago, the trail of the serpent is over it all.

Then what? Magee's note is coming due. He was told, "You are not going to get that note renewed." He said, "Yes; I am. I have an understanding with the bank." The bankers let the matter go right up nearly to the time the note was due and then told him, "We can not renew the note." So the poor fellow had his back to the wall, and they were crowding him and smiting him hip and thigh and were about to destroy his business. He said to the banker, "Would you rather fight me or buy me out?" The banker replied, "What will you take for your paper?" Magee answered, in substance, "You have my back to the wall"; and he sold the paper. They closed him out. However, he started a little weekly newspaper down there; he appealed to the people, and they supported him so well that he came back and is again publishing a daily newspaper. That is only a part of this gruesome story.

Magee is the man to whom questions were propounded by the Senator from Wisconsin [Mr. LENROOT] and the Senator from Utah [Mr. SMOOT] that seem to me to be an attempt to discredit him. I think one of those Senators asked Magee if he had not been convicted of some crime; and, as I said before, the other one asked him whether or not he was a Democrat; another one asked if he was not merely talking politics. Did that look like they were earnest, serious investigators trying to get at the facts in a case where a man is charged with the most heinous crime that has been brought to the attention of Congress in a century?

Oh, Senators, this case involved the bartering of a whole nation's naval oil supply and it involved the national defense oil worth billions of dollars. Mr. President, if a Democratic President had been in the White House and a Democratic Secretary of the Navy and a Democratic Secretary of the Interior had put this thing over, the Senator from Wisconsin [Mr. LENROOT], the Senator from Utah [Mr. SMOOT], and the Senator from Massachusetts [Mr. LODGE], and all of the leaders over there would be bombarding this side every day, and I can imagine what they would say. They would say, "Senators, think of what they have done!" This naval oil reserve that we have held against the day of need has been turned over to them to safeguard and they have disposed of it; they have bartered it away; they have accepted money in connection with it; there is fraud in it; there is corruption in it; there is bribery in it; there is betrayal of trust in it; they are guilty of a great crime against the people of the whole United States. That would have been their cry every day in the Senate, and a just cry it would have been. Now, let me say to Republican Senators that it is right and proper to hold you and your party responsible for the conduct of the Government during a Republican administration—to hold your party responsible for this crime against the people.

Mr. President, I want some people to get a certain idea into their heads. It is carried in this quotation:

> The thorns which I have reap'd are of the tree
> I planted; they have torn me, and I bleed.

That is the situation which you have brought about with distrust, fraud, and charges of corruption hanging about nearly every department of the Government, and an Attorney General, whose record ought to be pure as light and stainless as a star, charged with all sorts of high crimes and misdemeanors heading the Department of Justice of a hundred million people. Talk about respect for law with the very head of the Department of Justice himself stifling prosecutions, protecting Republican friends and officials, that deal in barter for the good of the Republican Party!

Mr. President, I want to announce to the Senate that the disclosures of the last day or two are not only startling but astounding indeed. We have come to a time under Republican rule in the life of the Nation when one of its wealthiest men has a private wire, and the man who operates the telegraph service for the White House—the White House of the Nation that we love—is the private operator of Ed McLean, the millionaire, whom it is so difficult to get before the investigating committee.

Mr. President, suppose that had happened under a Democratic administration; suppose the Republicans were able to say that the White House is infested with the very people who are charged with putting this deal over to the hurt and injury of the Nation; that a man in the service of the White House is in the private employ of this man McLean; that the telegraph operator of the White House is McLean's private telegraph operator. You can not get away from these entangling situations; they fasten themselves about your very limbs; they clamp your wrists; they clasp your ankles; you have the shackles on, and you can not break away. Yet this man McLean has never yet opened his mouth in a committee room to tell what he knows.

The concocted story that he loaned Fall $100,000 passes away with the mists of the morning. It is false. Fall, it seems, never borrowed $100,000 from McLean. The story was manufactured out of the whole cloth; it was concocted for a purpose. What was that purpose? The purpose was to keep Doheny in the background, because they knew if ever the light was turned on Doheny that there would be made plain all of these oil interests of his, his friendship for the present President, his ardent support of the present administration, his visits to those high in authority now in the Capital, and the statements given out by him in support of the Republican ticket—the light would reveal things that would cause honest people to sit up, think, and ask

the questions: How fares the Republic and whither are we drifting?

What have we here this morning in this connection? The Senator from Ohio admits that he discussed with Mr. Daugherty the make-up of the committee that is going to investigate him. Well, you can imagine about what would be said in a conversation on such an occasion. A man of an inquiring mind would ask the question whether something like this was said:

"Harry, how would So-and-so do? Would he be agreeable to you?"

I imagine Harry would say:

"I will take him"; or "I will not take him."

"Well, now, how would LA FOLLETTE, NORRIS, BROOKHART, SHIPSTEAD, or MAGNUS JOHNSON and LADD and CAPPER do?"

I imagine when you mentioned "LA FOLLETTE" to him, he would have thrown a fit right on the spot. [Laughter in the galleries.]

The PRESIDING OFFICER (Mr. MOSES in the chair). The present occupant of the chair can not continue admonishing the occupants of the galleries regarding the rules of the Senate. The Senator from Washington [Mr. JONES], while occupying the chair, has admonished the occupants of the galleries as to the rule forbidding demonstrations in the galleries. The rule will have to be observed if the galleries are to remain open.

Mr. HEFLIN. I could imagine when that conversation proceeded, that Mr. Daugherty might say:

"Why, Senator So-and-so will do. I have just appointed two Federal judges for him. I have named a district attorney or so for another Senator, and these would be agreeable to me."

I guess they would. So the Senator from Ohio says the make-up of the proposed investigating committee was discussed with Mr. Daugherty.

Do you know what a man would say whose hands were clean, and who, at the judgment bar of his own conscience stood guiltless? He would say: "I do not care what committee you appoint. But I do want you to appoint a committee. All I want is an opportunity to give to that committee the truth." That is what most men would have said, I think.

I understand that the Attorney General to-day states that he has "got some dope on certain Senators." Well, let him go to work at once with his dopestick. Any Senator who can not stand up and have the yardstick of common decency and common honesty applied to him here ought not to be in the Senate. I do not care on which side he sits. Let Daugherty come on and turn on the light with whatever charges he has, whatever facts he has. Let him submit them. I wonder if he threw that out thinking he would intimidate Senators, some of them who knew that maybe they had better tread softly.

Mr. President, he has challenged the Senate. He defied the President, we are told, and now he challenges the Senate. Well, I saw the Senate pass the resolution of the Senator from Arkansas [Mr. ROBINSON] calling on the President to request Denby to resign, and I saw Denby's statement flaunted in the face of the Senate and the country saying that he would not resign and defying everybody and everything, and I saw the President's statement saying he would not permit him to resign; and yet in a little while, when the tidal wave of indignant public opinion came sweeping in, I saw Denby fold his tent and silently steal away.

Daugherty defies them now. He is the kingmaker of the Republican Party. He knows more than any other man in the Cabinet. He, in my judgment, is in connection with more big crooked interests than any other man who ever sat in the Cabinet. He can call forth more campaign funds for Republicans than any other man who ever sat in the Cabinet of the United States. They know it. He is the Samson; and if he gets up under the pillars with his mighty shoulders and strikes these columns with his mighty fists, there is going to be some great doings in Republican quarters, and you do not want any crash to come.

Ah, Senators, I do not care what party may be in power; whenever a man can so conduct that office that he can construct a network of crooked doings through the country, establishing his agents here and yonder, and so represent predatory interests that he can stand up and defy those who have sworn to act for the good of the whole people we have reached a pitiful pass in the life of this Nation.

I do not know how they will explain that telegraphic arrangement with the operator at the White House. I should like to have it explained. If any Senator here would like to make an explanation, I will yield for that purpose.

Mr. President, this feature of the oil scandal is one of the worst things connected with it. Not only have we trailed this serpent to the door of various Cabinet members, but we are now tracking him over the fence into the White House yard, and even into the White House itself.

Mr. President, I want to say to the Senate and the country that it is unpleasant to have to be so plain in statements here. It is not at all pleasing to me. I would rather say things that would please people. I like to make people laugh. I like to speak of things that are agreeable rather than have to go into things that are disagreeable; but I am in the same position here that a soldier would be on the firing line in defense of his country. His duty calls him to go where there is danger. His duty calls him to go where there are unpleasant things to do. His duty calls him to go where his work may result in driving away or destroying the enemy, but he never flinches because of that. He hears the call of duty; he has a flag to support, a government to defend, and if he is the right kind of a soldier he is ready to fight and, if need be, die for his country. Why should we be any less patriotic? Why should we be any less courageous? Why should we shrink from duty here because it may involve in this oil scandal some Senator?

I call on Mr. Daugherty to name the Senators he has in mind. I guess he can read the English language. Let them communicate that message to him. Name them. Name them to-morrow. Put them in print. Let the Senate and the country know who they are.

I said on yesterday, and I have intimated it before, that there are no secrets in this whole thing, so far as I am concerned. There are not going to be any of them kept from the American people if I can prevent it. Why should we keep secrets from them? What did they do when the tocsin of war sounded? They sent their sons to go 3,000 miles to die for these institutions. Were those boys fighting to harbor Denby and Fall and Daugherty in evil doing, in looting the Nation, in corrupting high places in the Government? That was not what they were fighting for. Was that what their comrades died for on the battle fields of France? No, thank God! There are those here who will dare to fight for these boys, to fight for their fathers and mothers, the women and children back of them, and to preserve the Government that they fought to save in the hour of its peril.

Mr. President, on yesterday I commented upon the conduct of the Senator from Wisconsin [Mr. LENROOT] and the Senator from Utah [Mr. SMOOT] in doing an extraordinary thing, reprehensible, to my mind, very reprehensible. They called on Mr. Fall, this man who bartered the birthright of children yet unborn, this man who betrayed his trust, this man who profited to the extent of many hundreds of thousands of dollars, I believe, by selling the property of the people intrusted to his care. They called on him, out at his apartment in Wardman Park Inn, the papers said at night, but the Senator from Wisconsin says it was in the afternoon; but whether it was in the daytime or nighttime, Mr. President, it was a bad thing to do, and that performance is not going to be set as a precedent if I can prevent it. I think I shall a little later on call on the Senate, through a resolution, to express itself upon that subject.

What is the situation that is presented? Here is this former Cabinet officer, a Republican, in conference with the chairman of the committee and former chairman, both Republicans, they leaving the committee without telling a single member of the committee they were going to call on Fall, going out alone, just these two Republican Senators, and having a conference with him, a secret conference, when nobody outside was present to hear what took place, and they had a private conversation with him. The Senator from Utah says that nobody had told how much money was involved or where it came from, and they were desirous of securing that information, and that is why they went. Now, then, I want to propound to him this interrogatory: Why was it, if the Senator was there for that purpose, bent on obtaining that information, that he did not hear Mr. Fall say that he got it from Ed McLean?

If I had been sent with a certain message to somebody and to get an answer, I would hate to come back and have this happen: "Did you see him?" I would say, "Yes." "What did he say?" And I should have to say: "I do not know. I am not sure what he said." The other fellow with me would say: "Well, he said so-and-so." And they should ask me, "Did not you hear that?" And I should have to say, "No; I did not hear it." "Well, if you were present, why did you not hear it?" "I do not know. I am willing, though, for you to look into my heart and see if you can find the answer there." This situation is puzzling.

Mr. President, I have not time to look into hearts. I am going to judge people in this matter by the standard that the Bible gives me:

> By their fruits ye shall know them.

That is the standard. These Senators go out to see Mr. Fall, about what? They stated here that they discussed the subject

and made some suggestions to him that he ought to tell this thing. Well, he came up here and told something. Now, it turns out that there was not any truth in what he told. The Senator from Utah [Mr. SMOOT] intimated yesterday that I had charged him and the Senator from Wisconsin [Mr. LENROOT] with concocting this scheme. I said nothing of the kind.

The wicked flee when no man pursueth; but the righteous are bold as a lion.

The Senator from Utah says, "The Senator from Alabama insinuates that we concocted this scheme." I did not do it. I asked the question, Who suggested that Fall make that statement? I ask it again to-day, Who suggested to Fall that he make that statement? I will ask it many times.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Wisconsin?

Mr. HEFLIN. I do.

Mr. LENROOT. Does the Senator ask that question in connection in any wise with the visit that the Senator from Utah and I had to Secretary Fall?

Mr. HEFLIN. Do I ask it——

Mr. LENROOT. In connection with our visit to Secretary Fall?

Mr. HEFLIN. I asked who suggested this to Fall.

Mr. LENROOT. The Senator asked who suggested it. Does it have any connection in the Senator's mind with the visit to Secretary Fall that has been referred to?

Mr. HEFLIN. I will ask the Senator a little different question: Was it discussed there? Was Ed McLean discussed in his presence?

Mr. LENROOT. In what way?

Mr. HEFLIN. In any way.

Mr. LENROOT. He was not, except that the Senator heard my statement upon the floor yesterday afternoon, did he not?

Mr. HEFLIN. Yes; I heard it.

Mr. LENROOT. I have nothing to add to it.

Mr. HEFLIN. That is the reason why I am operating again to-day. I want to hear more on this subject. The Senator now says that nothing was said about it except when Fall said that. Where was the Senator from Utah when that was said?

Mr. LENROOT. The Senator from Utah was in the room.

Mr. HEFLIN. He says he did not hear it.

Mr. LENROOT. I heard that.

Mr. HEFLIN. Now, I will ask the Senator, while he is up, whether he suggested to the Senator from Utah that he go up there with him, or whether the Senator from Utah suggested to the Senator from Wisconsin that he go with him?

Mr. LENROOT. I did not. I stated that on the floor yesterday. The Senator heard me state it.

Mr. HEFLIN. Senator SMOOT was quoted in the Washington Herald on the day before as saying that you invited him to go.

Mr. LENROOT. I am not responsible for that, as the Senator well knows.

Mr. President, about the most despicable of human beings is the assassin of character, and I have a right to ask the Senator from Alabama whether he intends to insinuate by innuendo that I had any part in concocting a lie on the part of Senator Fall?

Mr. HEFLIN. No; I have not accused the Senator of trying to concoct a lie, and I do not at all. But I will ask that question many a time, Who was it that suggested to Fall to state that he got this money from Ed McLean?

Mr. LENROOT. Now, I ask the Senator again, in asking that question, does he ask it with reference to any visit I had with Senator Fall?

Mr. HEFLIN. I ask it generally.

Mr. LENROOT. Then he does in that connection, does he?

Mr. HEFLIN. I ask it generally. I am not saying that. The Senator can take that statement of mine and now act as he chooses.

Mr. LENROOT. Again, Mr. President, I want to say to the Senate that I can not think of anything more despicable than the insinuations the Senator from Alabama would now leave with the Senate.

Mr. HEFLIN. Mr. President, I can not think of anything more despicable than a partisan Senator leaving his committee room, without telling any member of his committee, except another partisan member of that committee, and going into the room of the criminal charged, under indictment, and talking to him about what he ought to say or ought not to say and then not tell the committee about it. The Senator came back here yesterday and stated that he told one or two.

I have asked one or two of the Members about it and one Member, I believe, said that the Senator said that the Senator told me that Fall told him that before, but he never told about the circumstances under which he told him. I asked another Senator if he told him, and he laughed and said, "I understand that he says he did." Now I ask the Senator what Senators he told, and under what circumstances he told them, that he went up there.

Mr. LENROOT. I will be very glad to state it. Shortly after Mr. McLean's testimony, in the room of the Senator from Montana [Mr. WALSH], I stated to the Senator from Montana that Senator Fall had lied to the Senator from Utah [Mr. SMOOT] and myself, as he had to the committee. A week or 10 days ago I told this story, as I told it yesterday, to the Senator from Washington [Mr. DILL], another Democratic member of the committee.

Mr. DILL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Washington?

Mr. HEFLIN. I will in a moment. What I am wanting to know about was why did you did not tell the committee immediately on returning from the visit to Fall's room at his hotel in this city. This other came out later, and other developments were bringing it out. I yield to the Senator from Washington.

Mr. DILL. Mr. President, I simply want to say that if the Senator from Wisconsin told me the whole story as he told it here on the floor, I did not so understand it. I merely understood the Senator to say that Senator Fall had told him this same story he told the committee, but I never knew, and I never had any idea, that there was any meeting between Senator Fall, the Senator from Utah [Mr. SMOOT], and the Senator from Wisconsin [Mr. LENROOT], and if the Senator from Wisconsin so stated I did not so understand, and I did not so hear. I simply wanted to say that.

Mr. LENROOT. Mr. President, I merely wish to say to the Senator from Washington that seated on a seat in the rear of the room I told him that Mr. Fall had told the Senator from Utah [Mr. SMOOT] and me the same story exactly that he had told the committee.

Mr. DILL. I did not hear anything about the Senator from Utah [Mr. SMOOT]. I simply heard that he had told "me" the same story that he had told the committee, but as to a meeting being held before that occurred, and all that sort of thing, I never heard anything about it, and never dreamed anything about it until it came out in public.

Mr. HEFLIN. Is there any other witness the Senator from Wisconsin would like to put up? I talked to the Senator from Montana [Mr. WALSH] about this thing, and I would like to ask him what his recollection of it is.

Mr. WALSH of Montana. Mr. President, I do not like to be drawn into this kind of a controversy. I would not undertake to say that the Senator from Wisconsin did not say to me just exactly what he said he said. I do recall that the Senator from Utah [Mr. SMOOT] told me after I got back from Palm Beach that Senator Fall had told him that story—that is to say, told that he had got the money from McLean.

Mr. HEFLIN. Did he say anything about calling on him at Wardman Park?

Mr. WALSH of Montana. No; he did not.

Mr. HEFLIN. So the Senator from Montana does not——

Mr. WALSH of Montana. Of course, the statement that he did make necessarily implied that he had met Senator Fall somewhere and had talked with him somewhere.

Mr. HEFLIN. That is true; that could be implied; but the Senator from Montana does not recall that the Senator from Wisconsin told him that they called on ex-Secretary Fall at Wardman Park.

Mr. LENROOT. I did not state that we called on him at Wardman Park.

Mr. HEFLIN. Two witnesses have been produced, and they do not remember it exactly as does the Senator from Wisconsin.

Mr. WALSH of Montana. If the Senator from Alabama will permit a further interruption, I understand that the Senator animadverted to some extent on the failure thus far to recall Mr. McLean to the stand. Mr. McLean was subpœnaed to attend some time ago, and at that time it was expected that he would be promptly interrogated by the committee; but that he has not yet been interrogated by the committee is a responsibility which I must myself individually assume. With respect to the examination thus far, it has been, with the kindness of the other members of the committee, practically placed in my hands, at least so far as the order in which the witnesses shall be examined is concerned, and in the regular order of the procedure I have not deemed it advisable to call Mr. McLean just yet.

Mr. HEFLIN. I am anxious at an early date to have his testimony. I earnestly and sincerely hope that he will be called soon.

Now I want to go back to this other proposition, because that is not going to be set as a precedent if I can help it. In my judgment, the Democratic Party will come into power on the 4th of March, 1925, and I do not want any Democratic member of an investigating committee to call on a Democratic official, a Cabinet official, if he should happen to be charged with crime against the country—I do not want them hobnobbing with him in secret. That is my position. I am not only condemning the Senator from Wisconsin—as I do—for his conduct, and the Senator from Utah; I condemn any partisan for conduct like that.

What would you have thought if, when the Newberry case was under consideration, the chairman of the investigating committee and the next man to him on it, both Republicans, had gone in behind closed doors and had secret conferences with Newberry, charged with buying a seat in the Senate? What would we have thought of it? You would have condemned it; at least, I think you would. I would have.

Now, I put another illustration to the Senate. Suppose a man was being tried before a jury, 12 jurors selected for that purpose, with a foreman of the jury, the head of the jury, there listening to the testimony. Suppose the judge should find out the next morning that after the judge had adjourned court in the afternoon and the jurors had left court, the foreman of the jury and another juror had been closeted at night with the defendant, the man under indictment. What would the judge have done? He would have put them both in jail for contempt of court. But when in the United States Senate representatives from the sovereign States of the Union are investigating one of the worst criminals in its annals, accused of bartering part of the public domain worth billions of dollars, with his pockets stuffed full of money out of the crooked and corrupt transactions, we find his friends and partisans calling on him at his apartment and having a conference with him, when neither the Senator from Montana nor any other Democrat upon the committee was invited to be present. It is a reprehensible act. The people of this country are not going to approve of it. I do not approve of it. I condemn it with all the force at my command; and I ask the Senator from Wisconsin or the Senator from Utah, if there was nothing to be kept secret about it, why they did not give it to the press the next morning and say "Senator SMOOT and I called on Fall yesterday afternoon and we got an important statement from him that is coming out pretty soon." But nothing was said about it for some time after that.

Mr. President, it is a strange situation, I say again, a very strange situation indeed. There is a right way to do these things and there is a wrong way to do these things. I am heartily in favor of the resolution of the Senator from Montana [Mr. WHEELER]. I want the Senate to elect this committee, and I think the gentlemen named in that resolution in the outset will do their duty in the premises. There are Senators in this Chamber I would not want to be on that investigating committee. I feel it my duty to talk frankly and plainly.

Why not elect this committee? The Senate is the body that is ordering an investigation. The Senate is the body that elects the Presiding Officer. The Senate is the body that is supposed to represent the American people. The Senate wants a committee that will go earnestly into the facts. The Senate, with 96 Members, can not sit as the committee. It wants a small committee of five to go into it and bring out all the facts. This committee simply gets the facts and submits them to the whole Senate. That is what the committee is to do. This committee does not have the final say in this matter. After they investigate they make a report, and I want Senators on that committee who are really in earnest, Senators who want to get at the truth, it makes no difference whether it hurts the Republican Party or the Democratic Party. So I am in favor of the resolution of the Senator from Montana [Mr. WHEELER].

Mr. President, I believe that is about all I want to say upon this subject to-day. I want to say this in conclusion: Every Government on the earth that has perished has perished on account of just such conduct as this—officers in high place proving unfaithful to the people, betraying their trust, becoming corrupt, and bartering away the substance of the people, and in doing so attack the very vitals of the Government. That is why so many Governments of the earth have gone down, and here we are with one Cabinet member after another arraigned for grave wrongdoing, with probably two or three more to be arraigned later on.

Mr. DILL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Washington?

Mr. HEFLIN. Yes; I am glad to yield to the Senator from Washington.

Mr. DILL. The Senator suggests that things are striking at the vitals of the Government. Will the Senator yield long enough for me to read a series of telegrams showing how this is striking right at the White House?

Mr. HEFLIN. Certainly.

Mr. DILL. Among the telegrams which have come before the committee we find that on December 22 a man by the name of Major telegraphed to Edward McLean in Palm Beach that he should install a private wire.

It will give you quick access to the White House.

Mr. McLean replied December 22, 1923, to Mr. Major:

I am having a wire installed. Please take up with Smithers at the White House.

Smithers is the wire man, in charge of the telegraph room at the White House.

On December 24, 1923, Mr. Major wired Mr. McLean:

Have talked with Smithers at the White House.

On December 28, Mr. Duckstein wired to Mr. McLean:

Wire here ready Saturday night, 29. Regarding operator, Smithers would like the job. John Brown thinks man satisfactory and advises against the stranger. Brown self rather not handle it. He is trying to get away from telegraphy, but will if you say so. Please wire me on receipt definitely regarding the operating.

Mr. McLean on the 28th replied to Smithers direct, not to Major, and I may say there were some long-distance telephone conversations that intervened, as shown by the telegram. McLean said to Smithers, wiring him at the telegraph room at the White House:

Of course, would like to have you as operator, but wire is going to be put direct into Cincinnati. Telegraph room.

On December 29, 1923, McLean wired Smithers again, telegraph room at the White House:

Will be glad to have you handle Washington end of wire. Get in touch with John Brown, Cincinnati Enquirer, Post Building, Washington.

Then, on January 20, Mr. Major wired to Mr. McLean:

Smithers has not been placed on pay roll. You instructed Marks to place him there last week at regular rate. The reason that he has not been put on is the fact that there appears to be no regular rate.

Now, Mr. President, this series of telegrams show that Edward McLean was putting in charge of his private wire the man who was the private-wire operator at the White House, so that no message from the world can go into the White House by wire without passing through the hands of the private operator of Mr. McLean on his private wire.

I want to read into the RECORD from an editorial in the New York World of February 28, yesterday's issue. The editorial is as follows:

TO THE DOOR OF THE WHITE HOUSE.

Among the telegrams made public yesterday by the Senate committee are several sent last December from Washington to Edward B. McLean, at Palm Beach, that call for instant explanation. They cast a startling light on conditions that have not yet been brought under investigation.

For what reason did McLean want "easy and quick access to the White House" through a leased wire? With whom did he seek direct personal communication? Why should E. W. Smithers, chief telegrapher at the White House, "like the job" and be recommended above others? Why should a member of the White House secret-service staff, named Starling, receive from McLean at Palm Beach and send to McLean at Palm Beach mysterious messages?

The trail of oil leads straight into the Executive Offices of the White House. This is a matter that President Coolidge must want to have cleared up at once. If men in the White House offices—telegraph operators, secret-service men, or others—were in close communication with McLean, the President can not but demand that they explain to him their conduct and make clear the purpose of their secret relations with persons who have been exposed in the oil scandals.

I read a moment ago, while the Senator from Ohio [Mr. WILLIS] was speaking, a telegram from the confidential man of Mr. Daugherty, giving Mr. McLean private advice as to the working of the committee investigating him because of the way he had deceived the committee, and the trail of this thing goes clear the rounds of the Executive's offices; it seems even in his

own office. As yet we have had no word of explanation why a man who is the private confidential wire man at the White House should become the private wire man of Edward McLean, a man who is clearly guilty of perjury before the committee and who is clearly guilty of having deceived the committee and the country, in combination and in harmony with Mr. Fall, who sold the oil reserves of the country.

Mr. HEFLIN. Mr. President, I thank my good friend from Washington; he is a brave and brilliant member of this investigating committee—right on the job all the time. It is refreshing and helpful to have such as he on guard for their country at a time like this. These disclosures must have astounded everyone who heard them, Senators and people from over the country who sit in these crowded galleries at this time. A private wire of this millionaire of the city is run into the White House itself, and the White House telegrapher is his private agent. As the Senator from Washington has well said, no message from the wide world can come or go that does not trickle down the wire, if he wants it to, to Edward McLean, the man who had undertaken to help Fall out of the awful predicament in which he found himself in this oil scandal, the man who said that he had loaned him money and then later said he wrote the checks and let him have them, but he returned the checks to him. Why? Because there could be no trace of them in that fashion. If he had had them cashed, the banks would have a record of it and be able to testify; but they were not cashed, so he had to say that he gave them, and they were returned—just a little agreement between two friends. Doheny, the man they were seeking to hide behind the smoke screen, the man they were trying to protect, came out and said, "Why, I loaned it to him, an old friend." "Yes? What did you get in return, Mr. Doheny?" He could have said, "I have this oil reservoir, one of the greatest in the wide world." "You just loaned your friend this money?" "Yes." "What is that you have in your pocket, Mr. Doheny?" "That is a note passed to me by Senator SMOOT in the Senate Office Building during a meeting of the committee; he is the former chairman of the committee on investigation." "Let us see it." He took it out, but it was torn into a hundred pieces. I understand that he said, "Read it if you can."

Oh, Senators, these things are not pleasant, but as I live and God reigns they have got to come out. The people have got to know the facts in the case. We on this side are determined, and some on the other side of the Chamber are determined that these things are coming out.

Why is it that Daugherty does not want a progressive Republican on this committee—LA FOLLETTE of Wisconsin, NORRIS of Nebraska, BROOKHART of Iowa, SHIPSTEAD of Minnesota, JOHNSON of Minnesota, CAPPER of Kansas, and others that I could mention? Why, they refer to them as Bolsheviks, their people impoverished by the cruel administration of the Republican Party grinding them down, taking their substance away, pauperizing them. They are crying for relief and their people are crying for relief, and here they are characterized by these high-brow crooks as Bolsheviks. There never was a time in the history of human government when those who stood up and fought to save their country from the despoiler were not characterized as demagogues, as time servers. Those who were not willing to wear the collar of the corrupt interests have always been characterized as demagogues. If those here are demagogues who demand honesty in office, I pray God that this Chamber may soon be filled with them, and the sooner the better. I do not care what side they hail from. If a Senator is in this body who can not stand up and fight these oil crooks to the finish he ought to be put out of the Senate.

Let Daugherty come on with his charges. This side of the Chamber is ready to stand up and meet them. Call the roll. It makes no difference who it hits, whether it is Democrat or Republican. Let him come on. The disclosures made here by the Senator from Washington [Mr. DILL] in the telegrams he has read creep up close to the White House. My God, is there no spot in this Government under Republican rule not infested with these crooks?

What has the President got to say now? I saw the able Senator from Wisconsin [Mr. LA FOLLETTE], when he told here how the present President sat in the Presiding Officer's chair in the Senate and heard him discuss the Teapot Dome oil scandal and this Doheny oil matter.

It was also said that this thing was discussed in the Cabinet. Fall himself, I believe, said it was discussed in the Cabinet, and some of them claim now, I believe, that the present President was not there. But how is he performing since the mantle of Chief Executive fell upon his shoulders? What has been his walk and what has been his talk? How was it when we indicted Denby and plastered over his back a placard saying, "This officer in your Cabinet is guilty of conduct born in fraud and corruption. He violated the law of his country and defied the fixed policy of the Nation." He said he would not even permit him to resign if he wanted to. What did Denby do? He said, in substance, "I defy you. I refuse to resign." What has been the President's walk and his talk since this scandal broke upon the Nation in all its fury and rottenness?

Daugherty? The Senator from Washington [Mr. DILL] shows that one of the secret-service men or confidential men from the Department of Justice communicated with McLean in Florida about this thing. Daugherty is under indictment by resolution of the junior Senator from Montana [Mr. WHEELER] and under a number of indictments brought by the junior Senator from Arkansas [Mr. CARAWAY]. The RECORD is full of pages sizzling and bristling with severe characterizations of him. What is the President doing?

What does the Senator from Massachusetts [Mr. LODGE] say? The paper says that he and the Senator from Pennsylvania [Mr. PEPPER] went up and advised Daugherty to resign; and who sent them? What did they say to him? I do not know. He has not resigned. When he left this city he defied the whole powers that be and said he was not going to resign. What is the President's talk and walk now? No longer are we permitted to say he was at this place or that place when this was discussed and that was up for consideration. These things that I am talking about are transpiring under his own eyes, and now the culmination and climax of it all is that Ed McLean, who with Fall is smeared all over with the slime of this oil thing, has a private-wire operator in the White House.

Ed McLean's private agent is his telegrapher, and he is at the same time the White House telegrapher, and as the Senator from Washington [Mr. DILL] said, no message can come and go that Ed McLean's agent does not know about. Predatory interests are crowding into every nook and corner of the Government.

Senators, this investigation is becoming more and more interesting. If I were the President, if I were in position to do so, I would do like the silver fish does when he gets covered all over with jellyfish. He can not get them off of himself in the water. They cling to him from gill to tail; but he knows a trick that will do the work. He finds a place where the sun is shining bright upon the water at noonday, where all the heavens are ablaze with the light and glory of the sun. He approaches the surface there and leaps out without a minute's warning to the enemies that surround him, and as soon as the light of heaven strikes them they are dazed, and they turn loose and fall, and he darts away free from all of them. It is high time that the President, if he can, was shaking off the dangerous and corrupt jellyfish that are hanging onto the body politic of the Nation. The good of the country demands that he shake them off.

What would Old Hickory Jackson have done if the Attorney General had told him he was not going to resign? What would he have done? Why the Attorney General would have been thankful to have had the opportunity to resign. But when a man who is so big as Daugherty is in the Republican councils comes in and tells them, "You know all about these things," what happens? It is intimated that he had a conversation like that with some high in authority. "You know all about these things and you have known about them all the time. You have known what I had to do to accomplish this and accomplish that, and you are not going to make a scapegoat of me. If that is your game, 'lay on, Macduff,' and I will strike back." The papers say Republican leaders are afraid of him. They are afraid he is a Samson, and if they do lay onto him in this matter and he throws that big first of his into them, there will be more withheld or called-in campaign funds than they ever dreamed of.

Not only that but a fellow who has a passport to the purse of these big fellows, which he uses for his party, may come around and say, "I have seen So-and-so and So-and-so, and they say if you crucify me and put me out they will not give you a cent for your next presidential election."

The poor old Republican Party! If Abe Lincoln could come back to-day and see what is going on under the control of that party, he would denounce every one of them and drive them out of control of the Government. He would say, "I do not propose to have these crimes committed in my name, in the name of the party of Lincoln." Next autumn the appeal must be not only to the Democrats but to honest Republicans, men and women the country over, to progressives and independents. They must be called to arms and told "the battle here is not between this theory and that, but it is between the friends of good government and its enemies—it is honesty in politics and

integrity in place against crookedness in politics and corruption in high office." That is going to be the issue.

Mr. President, I have no fear as to what the final result will be. If this country should retain the Republican Party in power, with all this corruption reeking everywhere, I should tremble for the safety of my country. I believe in the honesty and integrity of the masses of the people; I believe that when the truth is put to them they will for the good of the country act as they should act. If there are any members of the investigating committee who are not at liberty to conduct this oil-scandal investigation to a finish in the open, I wish they would make it known and decline to serve.

Mr. BRUCE obtained the floor.

Mr. LENROOT. Mr. President——

The PRESIDING OFFICER. The Senator from Maryland [Mr. BRUCE] has been recognized.

Mr. LENROOT. I do not wish to occupy more than two or three minutes.

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Wisconsin?

Mr. BRUCE. I do not expect to occupy but a few minutes myself. I merely wish to make a brief explanation with regard to my vote in respect to the pending amendment. Indeed, I desire to say very little more than that in voting on this amendment I do not propose to be influenced by any personal or factious motive whatever.

The question now is not whether the public conduct of Mr. Daugherty shall be investigated. I imagine, though I do not know it, that practically all of us are agreed that the investigation shall take place. Indeed, as I understand it, Mr. Daugherty himself is willing that his official conduct shall be investigated, and, under the circumstances, prefers that it should be. Were the question under discussion whether it should be investigated or not, there might be some room for partisan controversy; but that is not what is at issue.

The point to be determined is whether or not the public behavior of Mr. Daugherty is to be fairly investigated; or, in other words, whether the committee by which it is to be examined is to be so constituted as to consider his public actions fairly or to be simply a gun loaded to kill. I do not see that anybody will profit by an unfair investigation of Mr. Daugherty's public conduct; certainly not the Democratic Party. If it should be held blameless, there would be no partisan advantage to be derived by that party from that fact; and if it should not be investigated fairly and should not be held blameless there would be about as little real partisan advantage to be gained by the Democratic Party from such result. So I say the question really is, Is Mr. Daugherty's public conduct to be fairly and justly reviewed or not?

The present debate has wandered far from the point actually at issue. Originally the pending resolution provided for an investigation of Mr. Daugherty's official conduct, and the mover of the resolution [Mr. WHEELER] undertook to name in it the committee by which the investigation was to be made, and among the persons named was the mover of the resolution himself. I do not wish to use any censorious language, but the mover of the resolution, in my opinion, made at least a mistake of judgment in suggesting his own name. It was certainly not a modest thing to do. That, however, is a matter of secondary importance. What is more important, it was not, in my judgment, just the fair thing to do.

If any Senator on this floor since I have been a Member of this body has exhibited a strong personal and factional animus against anybody, it is the Senator from Montana [Mr. WHEELER] in his relations to Mr. Daugherty. Whether he has personal reasons for entertaining this peculiarly acrid feeling toward Mr. Daugherty or not, everybody knows that he is closely affiliated politically with elements in our population that have peculiar reasons of their own for subjecting Mr. Daugherty to investigation.

Mr. WHEELER. To whom does the Senator from Maryland refer?

Mr. BRUCE. It is unnecessary for me to say, for the Senator knows very well what I mean.

So I say, with all due respect to the Senator, as the mover of the resolution that he should never have suggested his own name as one of the investigators. Indeed, his conduct in that respect reminds me just a little of an historic circumstance that occurred in this Hall or in the Hall at the other end of the Capitol a good many years ago when the Senator from Massachusetts [Mr. LODGE] introduced his "force bill" into Congress, which proposed Federal control of Federal elections at the South. There was no provision in the bill for minority representation; in other words, for Democratic representation in the choice of the officers of election.

Some innocent Democrat asked, "How is it that there is no provision in this bill for minority representation?" "Oh," replied some Republican whose name I have forgotten, "there is no politics in this bill." I think it must have been on some such amiable theory as this that the Senator from Montana deemed himself qualified to be one of the members of the proposed investigating committee.

In insisting that Mr. Daugherty's public conduct should be fairly investigated, if investigated at all, I can not altogether shut my eyes or close my memory to the circumstance that it was only a year ago when, in response to the demand for an investigation similar to that which is now being urged, an effort was made by the House of Representatives to have him impeached. Charges were laid before a committee of that body; they were considered, and, as I recollect, by a majority of 20 to 1 the committee refused to report favorably upon the proposition of impeachment. This fact certainly furnishes another reason why we should act in the proper spirit now.

I hold no brief for Mr. Daugherty. I do not know him; I never saw him until I sat behind him at the Harding memorial exercises a few days ago. I believe him to be a brave man, and I like that. I believe that it still remains to be shown that he is not an honest man.

I shall reserve my judgment about that, at any rate, until the final result of the investigation shall have been reached; but I do not believe, and the bar and the bench of the country do not believe, that he has the professional skill and attainments and the application that befit the incumbent of such a lofty office as that of the Attorney General of the United States.

Mr. President, after the pending resolution was introduced in its original form it was modified at the instance of the Senator from Montana [Mr. WHEELER] so as to strike out the names of the committee suggested in it and to provide for the appointment of the committee by the Senate. Then the Senator from Massachusetts [Mr. LODGE] rose and proposed the amendment which is now under consideration, providing that instead of the committee being selected by the Senate it should be selected by the Presiding Officer. At that time my attention had not been called to the rule of the Senate requiring the members of the select Senate committee to be chosen by ballot unless otherwise ordered. Consequently at that time my intent was to vote in favor of the amendment presented by the Senator from Massachusetts, because I think any parliamentary body that has a vestige of self-respect should be slow to lay rude hands upon its own presiding officer. When any such body affronts its own presiding officer without cause, it does not simply affront him; it affronts itself. His office is an ancient, honorable, and dignified one, coeval with the political history of the Anglo-Saxon race, and usually he is intrusted with the function of naming the members of all committees.

Mr. ROBINSON. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Arkansas?

Mr. BRUCE. If the Senator will pardon me, I should prefer not to yield just now, but I will yield in a few moments. This is not a very convenient point at which to stop, because I am reciting the history of the resolution. After that, however, I shall be glad to yield. So at first I favored the pending amendment. In other words, I felt that the dignity of the Presiding Officer of the Senate is the dignity of the Senate itself, and though he is elected under partisan conditions, yet when he is elected he is expected to be the servant of the whole House, and if he has any proper conception of his duties that is what he always is. How often after the end of a session, during which there has been much partisan conflict and strife, do the members of a parliamentary body, without regard to party, assemble and present some conspicuous testimonial of their esteem to their Presiding Officer, irrespective of all partisan considerations.

Afterwards the attention of the distinguished Senator from Arkansas [Mr. ROBINSON] and of myself was called to the special rule of the Senate, to which I have referred. I have carefully read the rules of the Senate, and I am as fairly conversant with them, perhaps, as a man can be with such a limited experience in this body as mine, but I confess that I had forgotten this one. Now, however, that it has been called to my attention, I think that it should control this case.

It provides, as I have said, that the members of special committees of every sort shall be chosen by ballot unless otherwise ordered. In point of fact, this has not been done since I have been here. Even where special committees have been appointed, their members have been named by the Presiding Officer; but that was merely as a matter of complaisance or acquiescence on the part of the Senate. Now, however, the question has been distinctly raised: Shall the proposed com-

mittee be appointed by the Presiding Officer of the Senate, or shall it be appointed by the Senate itself? As there is a strong demand, to say the least, on the part of the Senate that the committee should be named by the Senate itself, I think that demand ought to be complied with. I think that we should, under the circumstances of this particular case, honor the rule itself instead of its exceptions because a certain amount of distrust is going to attach to the naming of the committee, whether it is named by the Presiding Officer of the Senate or whether it is named by the Senate itself.

I can truthfully declare that I have no desire in this case to do anything except the right thing, the proper thing, the just thing. That is what we should all try to do. Certainly there can be nothing of deeper concern to any individual than to have his public reputation or his personal honor assailed. Some Member of the Senate said here the other day, speaking in a perfectly unaffected, natural manner, "I would rather die—yes, I would rather die—than have my public integrity besmirched." That is the way we should all feel. I trust and believe that it is the way that we all do feel.

Therefore I think that if this committee is to be selected by the Senate it should be selected with the most scrupulous, the most punctilious regard to fairness. Of course, every political element in the Senate should be represented on it, but it should be made up fairly and justly. In making it up some sort of sense of proportion and balance ought to be preserved. In other words, the constitution of the committee should be such that Mr. Daugherty's public conduct shall as far as possible be investigated in a fair-minded manner. I do not believe that the country would be satisfied with anything else. I do not think that any Member of the Senate ought to be satisfied with anything else.

I will gladly yield now to the Senator from Arkansas [Mr. ROBINSON] if he has any questions.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the junior Senator from Arkansas [Mr. CARAWAY]?

Mr. BRUCE. Yes; I yield. I am a little timorous about the Senator's interruptions, however. We are always very good friends except when he interrupts me, and then, somehow, our relations always become, just for a little while, I am sorry to say, somewhat strained.

Mr. CARAWAY. Oh, no; we are going to smile like brothers.

Mr. BRUCE. Does the Senator recollect the man referred to in the Bible who smote another in the side, and said, "Is it well with thee, my brother?"

Mr. CARAWAY. The thing I wanted to ask the Senator was this: He was saying so much about a fair investigation for the Attorney General, and that nobody ought to be judged without a hearing. The Senator from Montana [Mr. WHEELER] sits just back of him; and the Senator from Maryland said, as I understood, that the Senator from Montana had not sufficient fairness or lack of prejudice to give Daugherty a fair trial. Is not that the inference that goes with the Senator's statement?

Mr. BRUCE. Oh, not at all.

Mr. CARAWAY. Did not the Senator say that he was so highly prejudiced that he would not be a fair judge?

Mr. BRUCE. Well, I knew that all this brotherliness was going to end something like this before it terminated. No; all I have to say is that if I had a strong prejudice against a man, if I knew that my mind and heart were set against him, and that he was about to be the subject of an investigation affecting his personal integrity or his public honor, I should not want to be one of his judges.

Referring to the bill introduced recently by the Senator from Arkansas [Mr. ROBINSON] forbidding any member of a Federal commission to sit in a case in which he has a personal interest of any kind, I will say that only a few days ago a member of such a commission approached me and asked me to take the floor and insist that he should have the privilege of assisting in the decision of a matter in which his wife had an interest. I replied, "Not so! I will not do it. I can not understand how you could ask me to do such a thing. You have a personal interest in the subject matter of the controversy, and you should not be a judge in your own case."

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Montana?

Mr. BRUCE. I yield.

Mr. WALSH of Montana. The Senator was good enough to yield to the Senator from Arkansas.

Mr. BRUCE. Why, of course; I have never declined to yield, but sometimes I am not asked to yield but to surrender.

Mr. WALSH of Montana. I merely desire to ask this question: The Senator made some remark concerning my colleague to the effect that he could well understand what element he represented in this matter. That was in the nature of an imputation, and he declined to answer my colleague in regard to it; but I feel constrained to ask the Senator from Maryland what he meant by that reference.

Mr. BRUCE. I said he was affiliated with one of the elements of our American population that is very hostile to Mr. Daugherty. Of course, I meant the labor element.

Mr. HARRISON. Mr. President, may I ask the Senator a question before he takes his seat?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Mississippi?

Mr. BRUCE. I do.

Mr. HARRISON. The Senator's objection seems to be that the author of the resolution is going on the committee.

Mr. BRUCE. No; that is past.

Mr. HARRISON. I understand that is past.

Mr. BRUCE. So far as his suggestion is concerned that he should go on it.

Mr. HARRISON. Is the Senator familiar with the fact that without a single exception, I will say—it has been said here that there were some exceptions—without a single exception, the author of a resolution authorizing an investigation has always gone on the special committee, except when the author requested that he should not go on it?

Mr. BRUCE. I do not know how far that is true. I think it would be necessary to rummage the precedents a good deal to find how far it is; but the case presented where a Presiding Officer has considered a matter coolly and thinks there is no objection under the special circumstances to the mover of a resolution, even though he be biased, being one of the committee created by the resolution, and the case presented where the particular individual suggests himself, notwithstanding his intense personal or factional animus in the matter, as a member of the committee, are two very different cases. It seems to me that they differ toto cœlo.

Mr. HARRISON. May I say to the Senator that the Senator from Montana was following the usual custom? And if he had not placed his name in the resolution, since we were going to vote on the members, it would have been the exception.

It has been stated, and the Senator perhaps has the impression, that in the case of the Watson investigation, so called, Senator Watson did not go on the committee. The facts about that matter, I may say to the Senator, are that Senator Watson did not offer a resolution in the Senate asking for an investigation. Senator Watson made a speech here, bringing to the attention of the Senate certain facts that were alleged to exist in the Army, I believe. Thereupon the Senator from Wisconsin [Mr. LENROOT] moved that those charges be investigated, and thereupon the Chair named a committee to investigate those charges. That is quite different from the custom that prevails generally, that where a Senator offers a resolution for an investigation he is appointed a member of the investigating committee.

Mr. BRUCE. I know nothing about the Watson case.

Mr. HARRISON. The reason why I cited the Watson case was that it has been cited as showing that it was not usual for one who brought about an investigation to go on the committee. The fact is, however, that in every other case where an investigation has been sought by a resolution the author of the resolution has gone on it.

Mr. BRUCE. Yes; but did the Senator ever know the mover of a resolution to suggest his own name as a member of the committee of investigation in a case where bitter, malignant, partisan feelings were involved, and he had taken an active part in the controversy?

Mr. HARRISON. I am just saying to the Senator that I know of no exception to the rule I have stated. I know of no case where the author of a resolution did not go on the committee, and he is one who should go on the committee.

Mr. BRUCE. I have no disposition to reflect on the Senator from Montana. I said I thought that he had shown bad judgment, and this I still think.

Mr. WHEELER. Mr. President, will the Senator yield for a question?

The PRESIDING OFFICER. Does the Senator from Maryland yield to the Senator from Montana?

Mr. BRUCE. Oh, yes. I will yield altogether if the Senator will allow me just a word further.

Mr. WHEELER. The Senator was representing the railroad companies before he came to the Senate, was he not?

Mr. BRUCE. Never! I never had a railroad company as a client in my life. I never tried a case for a railroad company. I have often tried cases against them, and for 18 years of my life, down to the time that I was elected to the United States Senate, I was engaged night and day in the regulation of railroads, holding them up to the full measure of their duty. I am glad to say that when the time of my election to the Senate came the great mass of the people of Maryland, including the citizens with their great business enterprises, gave me one of the handsomest majorities that any candidate in the State of Maryland had ever received in the history of the State. The Senator has been on the wrong track pretty often, but he never so distinctly got on it as he did that time.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Maryland further yield to the Senator from Montana?

Mr. BRUCE. I do.

Mr. WHEELER. Did not the railroad companies in the State of Maryland support the Senator in the last election?

Mr. BRUCE. Not that I know of.

Mr. WHEELER. They contributed nothing toward his campaign?

Mr. BRUCE. No, sir; not one cent. Any railroad that contributed one cent to my campaign would have subjected itself, under the laws of Maryland, to criminal indictment. No corporation in the State of Maryland is allowed by law to subscribe one cent to the candidacy of anyone.

Some years ago, when I was a candidate, a gentleman connected with a public-utility corporation sent me a contribution. He did not know the law. He was closely connected with me and was interested in my candidacy entirely from a personal and party standpoint. I sent the check back to him. If I have ever received any illegal contribution in the whole course of my political life from any corporation or any individual, I do not know when it was.

I knew, of course, that some attempt would be made at some time or other, because of the views that I hold about what is due to the great business enterprises of the United States, to attack me; but it will be found, when I am attacked on that score, that it is not the heel of Achilles that is being assailed but the invulnerable parts of his body. I am a friend of the great business enterprises of the United States because I am a friend of the people of the United States.

We hear a great deal in this body—and much that is well to listen to—about dishonest rich men who prostitute their opportunities for promoting the public welfare to their own corrupt purposes. I can truly say that we have no such rich men in the State of Maryland. If there is any rich man in that State who is regarded as an oppressor or a public malefactor, I do not know him personally or by hearsay.

We have great business concerns in Maryland, among others the Pennsylvania Railroad and the Baltimore & Ohio Railroad, but we do not experience the difficulties which other portions of the United States seem to experience in keeping in check any lawless aims that they may have. They are all successfully regulated by public authority. From one end of our State to the other we are at peace with our large business interests. The more rich men that are sent to us from the West, provided they are not of the Doheny or the Sinclair order, the better pleased we shall be. The more great business enterprises that are established within the limits of Maryland the more grateful we shall be.

My own idea is that in the course of time the people of the West, too, will find some better modus vivendi with their great business interests and such rapacious captains of industry as are inclined to go beyond bounds than they have yet been able, apparently, to find. But they will never do it by shifting the railroads of the country from the basis of individual to the basis of Government ownership.

But I, too, am wandering far afield. All I have to say, in conclusion, is what I said in the beginning: Go ahead and investigate the public conduct of Mr. Daugherty, but do it through the agency of an open-minded, fair-minded committee; indeed, the very best committee for the purpose that the Senate can possibly elect.

Mr. LENROOT. Mr. President, ordinarily I would pay no further attention to what the Senator from Alabama [Mr. HEFLIN] has said, having gone over the matter completely yesterday afternoon; and if it was only because of any possible effect his views might have upon Senators present, I would have nothing to say at all at this time. But he is a Senator of the United States, and his expressions go out to the country and are not confined within the walls of the Senate. I want to review for just a moment the circumstances leading up to the visit of the senior Senator from Utah [Mr. SMOOT] and myself to Mr. Fall.

In the latter part of November evidence was produced before the Committee on Public Lands and Surveys showing that shortly before December, 1921, Mr. Fall was in straitened circumstances financially; that in December he bought a ranch for $91,500; that he afterwards expended considerable sums in improvements upon the ranch. May I ask the Senator from Montana to remain in the Chamber just a moment? The evidence showed that in the payment of this $91,500, $10,000 was paid in currency. Up to the time of our call upon Mr. Fall that was the only evidence there was indicating any corrupt conduct upon the part of anybody connected with the matter under investigation.

Those were suspicious circumstances, which called for explanation; and, as I said yesterday, just as soon as that evidence came out I suggested to the then chairman of the committee that he wire Mr. Fall and ask him to come before the committee and explain the transaction. He did wire him. Mr. Fall wired back that his son-in-law could explain it, and I stated to the chairman that I felt very strongly that Mr. Fall should come personally and testify before the committee. He finally did come, and nothing else had occurred with reference to any evidence of fraud.

The Senator from Alabama says that Mr. Fall was under indictment at that time.

Mr. HEFLIN. The Senator misunderstood me. I meant under this indictment.

Mr. LENROOT. Under what indictment?

Mr. HEFLIN. Under the charge of having done wrong in the transfer of this property.

Mr. LENROOT. The Senator from Alabama clearly did not wish the Senate and the occupants of the galleries and the country to understand that that was the indictment he referred to. He clearly meant it to be inferred that at that time he was under indictment by public opinion for corrupt conduct, not merely in betraying his trust in transferring the naval reserves.

Mr. President, under those circumstances, upon Mr. Fall's coming here, and two or three days before he made his statement to the committee, the senior Senator from Utah [Mr. SMOOT] and I called upon him under the circumstances narrated yesterday, and we urged him to come before the committee and disclose fully the source from which he obtained the money to purchase the ranch and make these improvements.

In view of what the Senator from Alabama has said I want to ask the Senator from Montana [Mr. WALSH] if he will not be good enough to say to the Senate whether or not in his opinion there was any impropriety in the call upon Mr. Fall for the purpose indicated?

Mr. WALSH of Montana. Mr. President, I see no impropriety in it.

Mr. LENROOT. I was sure the Senator would say that. Now, Mr. President, one other matter. The Senator from Alabama undertook this morning to berate the chairman of the Committee on Public Lands and Surveys for not having put Mr. McLean upon the stand and had him testify. I undertook to state to the Senator from Alabama the reasons why Mr. McLean had not been examined. I stated to him that Mr. McLean was here under subpœna, and had been here all of the week. Nevertheless, he continued his attack, until the Senator from Montana [Mr. WALSH] rose in his place and said he took full responsibility for the failure to have Mr. McLean examined up to this time, and gave the same reasons I had given.

Mr. President, I am not going to take any further time upon what the Senator from Alabama said, in view of the two circumstances I have just mentioned.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Alabama?

Mr. LENROOT. I yield.

Mr. HEFLIN. I thought the Senator was through. I will wait and get the floor in my own right.

Mr. LENROOT. Mr. President, one other matter. Reference has been made to a private wire installed by Mr. McLean. The committee has not concluded its investigation with reference to that matter.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Montana?

Mr. LENROOT. I yield.

Mr. WALSH of Montana. The answer I made to the Senator a few moments ago might be open to misinterpretation, and, with his permission, I should like to say something about it.

Mr. LENROOT. I yield to the Senator.

Mr. WALSH of Montana. The bare fact, as stated by the Senator, of his going to see Secretary Fall with his colleague, the Senator from Utah [Mr. SMOOT] carried to my mind no impropriety whatever. Neither of the Senators named, the Senator from Wisconsin nor the Senator from Utah, indulged the suspicion about this whole transaction with which I was impressed from the very beginning.

Let me review for a moment. At the time these transactions took place, in the spring of 1922, the secrecy which characterized them, the strange transfer of these reserves from the Navy Department to the Department of the Interior notwithstanding the struggle that had gone on theretofore; the efforts of the Senators interested in the matter at the time to get information about the execution of the leases and their being put off upon one excuse or another, gave to the circumstance, in my mind, from its inception, a rather sinister character.

I interrogated Mr. Fall at length, he being the first witness when we began the investigation; and the answers he made, the reasons he assigned for his acts, the futile justification he attempted, from the standpoint of the law, for his action—what seemed to me the perfectly outrageous usurpation of power in connection with the matter—all these things had left a deep impression upon my mind.

Mr. Fall went to El Paso. He was there when the witnesses from New Mexico told their story about the sudden rise in affluence of Mr. Fall and his expenditure of approximately $200,000, as it was traced to him, when he had not had money enough to pay his taxes for 10 years. Of course, that testimony was startling in its character, and the Senator from Wisconsin rightly recites that forthwith, in what seemed to me something like consternation, because both he and the Senator from Utah had up to that time exhibited the most implicit confidence in Mr. Fall, he said that this information should be given to Senator Fall at once, and he should be invited to come before the committee. I said in that connection that in my judgment he should be apprised at once of the information, but that he should be left to judge for himself whether he should come or not.

Thereupon we understand that he sent a wire to the Senator from Utah [Mr. SMOOT] that his son-in-law, who was entirely familiar with his affairs, would come on to testify. That was a circumstance which must have impressed the Senator from Wisconsin, as it did me, with added suspicions concerning the circumstance. Why should not Senator Fall himself come on to explain the matter? His son-in-law did not come on, pursuant to his telegram, but we heard from Senator Fall himself that he was somewhere en route but was ill and unable to come on.

It was intimated at one time that he was in the city of Chicago; at another time that he was in the city of New York. The newspaper men, aroused to the importance of the thing at that time, endeavored to locate him somewhere in the city of Chicago or in the city of New York, and were utterly unable to do so. It transpired that he came to Chicago and went from Chicago to New York, the committee being apprised in the meanwhile that he was too ill to come on. He went from New York to Atlantic City, and from Atlantic City came to the city of Washington, and was in the city of Washington some days theretofore and had not yet appeared before the committee.

We resumed on the 28th of November, if my recollection is correct, and commenced the examination of these witnesses from New Mexico at once, and it consumed only two or three days. Of course, any honest man who was able to make any kind of a satisfactory explanation of the damaging testimony given by the witnesses from New Mexico early in the month of December would have hastened to the city of Washington, even though he were approaching death, to go on the stand and tell the story, and thus dissipate the unfavorable inferences which must necessarily have been drawn from the testimony. But he did not, and he was here in the city of Washington and had been here for several days.

It was under those circumstances that the Senator from Utah and the Senator from Wisconsin, as the information has now come to me, visited Senator Fall. I can not see any impropriety in that visit at all.

Mr. LENROOT. May I correct just one statement? He might have been here several days, but I did not know it. The first information I had that he was here was the day we visited him.

Mr. WALSH of Montana. I had no information as to the date when the Senators visited him at Wardman Park, but I had the information that he was in the city some days prior to the time that he sent the letter.

Mr. SMOOT. Mr. President, the Senator is right. Information came from his sick room that Mr. Fall could not appear on the day that we expected him to appear and testify, and he asked for a few days' delay. It was immediately after that request to the committee that the Senator from Wisconsin and I went up to Wardman Park and called upon ex-Senator Fall. It was about between 3 and 4 o'clock in the afternoon.

Mr. WALSH of Montana. May I say that I can not doubt for a moment that the suspicions of the Senator from Wisconsin and the Senator from Utah must have been aroused concerning this matter before they visited ex-Senator Fall, although I know that mine antedated theirs by a considerable period of time. That is a plain statement of the thing, and I again say that I can see no impropriety in those two gentlemen, political friends and former associates of ex-Senator Fall, going to find out what was the truth about the matter. Of course it would have been a happier circumstance, I say frankly, if the Senators had promptly come before the committee and told us that they had visited ex-Secretary Fall and what he had told them.

Mr. SMOOT. Mr. President——

Mr. LENROOT. I yield to the Senator from Utah.

Mr. SMOOT. I want to say to the Senator from Montana that when ex-Senator Fall sent that letter to the committee I believed it as much as I ever believed anything that ever came to my notice. I thought every word in it was true.

Mr. WALSH of Montana. I accept the statement of the Senator, and I have no doubt it is correct, but he could not have accepted it if he had not been very decidedly friendly to the cause of ex-Senator Fall, because no one can take that letter and look at it and read it and imagine that it was a frank statement of the affairs.

Mr. SMOOT. I will say to the Senator that when the letter was read to the committee I felt that it was a full explanation of the matter, and I believed every word of it to be true.

Mr. WALSH of Montana. Let me add that if the Senator had conversed with people about the town who know anything about Ned McLean, I undertake to say that nine out of ten men would have been able to tell him it could not possibly be true.

Mr. SMOOT. I knew nothing about McLean nor his financial condition, nor did I have a single solitary word of conversation with anyone about Mr. McLean nor the financial condition of Mr. McLean just stated by the Senator.

Mr. LENROOT. Mr. President, I have only one more thing to say. If there was anything discreditable in urging Senator Fall to come before the committee and disclose fully to the committee the source of this money, then I am guilty of an impropriety, but otherwise not. I thought a public service was being rendered in doing what was done.

Reference has been made by the Senator from Alabama [Mr. HEFLIN] to a private wire installed by Mr. McLean.

The committee has not yet completed its investigation of that subject. It does expect to examine all of the parties who sent telegrams, among them those who sent telegrams respecting or having reference to the White House. But I understood the Senator from Alabama to say that there was this private wire installed in the White House. I do not so understand it. I do not understand there is any private wire from Mr. McLean to the White House. Members of the committee will correct me if I am wrong in that statement.

Mr. HEFLIN. What are the facts about it?

Mr. LENROOT. I do not know. We will find out before we get through, I hope, as to the facts, but there is no private wire into the White House as I understand the telegrams. Does the Senator from Washington so understand it?

Mr. DILL. I understand there is no private wire in the White House, but that the telegraph operator at the White House is the man who operated a private wire of Mr. McLean.

Mr. LENROOT. Of course, we will find out fully about that before we get through.

Mr. DILL. That is what the telegrams indicate, that he was the wire man who handled the private wire of Mr. McLean, but not that the private wire goes into the White House.

Mr. LENROOT. I do not know whether the telegrams indicate whether the man who had been the operator at the White House was hired to become the operator on the private wire and severed his connection with the White House or whether he continued at the White House. I do not know, and that, of course, will be fully disclosed before we conclude.

Now, Mr. President, I want to say a word with reference to the pending resolution, as I probably will not have another opportunity. Having had some experience on investigating committees in the other House and in this body, I do not fully

share the opinion of some that all of the members of the committee must be impartial and have no opinion, because if that were true an investigation would never get anywhere. There must be some one on every investigating committee, if it is to make any progress, if it is to bring out all the facts, who must assume the rôle of prosecutor upon the committee, and it is not to the discredit of any man that he does. Presumably any Senator, though he does assume the rôle of prosecutor, will be guided in his ultimate decision by the facts that are disclosed before the committee. So far as I am concerned I do not see any impropriety in the Senator from Montana [Mr. WHEELER] being a member of the committee. I would be glad to see the Senator from Montana made a member of the committee, entertaining the views that he does. I would like to see the Senator from Ohio [Mr. WILLIS] also a member of the committee to insure that there was fairness to Mr. Daugherty, the accused in this particular case. I would like to see the other three Senators in whom the Senate would have confidence as to their impartiality in coming to a conclusion. But if we are to have five Senators who have no opinion and who have no interest, the committee is not going to get very far in the investigation.

Mr. BRUCE. Mr. President, may I interrupt the Senator for a moment?

Mr. LENROOT. Certainly.

Mr. BRUCE. I do not know whether the Senator was referring to what I said——

Mr. LENROOT. No; I was speaking generally.

Mr. BRUCE. I think every political element in the Senate should be represented on the committee.

Mr. LENROOT. I want to assure the Senator that I was not aiming at all at what he said. I was speaking in general terms, and what I said with reference to this I would say with reference to any investigating committee.

Mr. BRUCE. I agree with the Senator absolutely in everything he has said.

Mr. LENROOT. Mr. President, after all, the benefits of an investigation such as the Committee on Public Lands and Surveys is now making are not in the final decision that the committee will make and the recommendations it may make to the Senate with respect to the particular matters. The benefits that come from such an investigation are the publicity, the evidence that is produced, the facts that are disclosed. Again referring to the oil investigation, every Senator upon every matter that we have had brought out has had his opinion formed without respect, in my judgment, to the conclusions of the committee as a committee. So in the matter of the investigation of the Attorney General, Senators will form their final opinion, in so far as they shall have any duty to perform in the premises, from the evidence that comes out before the committee.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Ohio?

Mr. LENROOT. I yield.

Mr. WILLIS. I was called temporarily from the Chamber, but I am advised that the Senator made the suggestion that he thought it would be perfectly proper or agreeable to him if I were a member of the committee. I hope the Senator will permit me to say that I utterly dissent from that view. I do not think that the Senator from Montana [Mr. WHEELER] should be on the committee for reasons I have stated, not at all personal, and because I have taken an active interest in the matter I do not think that I ought to be on the committee. Indeed, with great respect, if such a thing were considered I should be compelled to resign from the committee, because I do not think the committee ought to be made up in that fashion. I do not think my colleague should be on the committee, because the Attorney General comes from the State which we represent. I wanted that statement to be in the RECORD. I utterly dissent from that portion of the Senator's view.

Mr. LENROOT. The Senator perhaps did not hear my statement. I prefaced what I said by the statement that I believed that no investigating committee would get very far in the investigation unless it employed counsel, if the committee were selected solely with reference to the impartiality of the members of the committee. Someone must always assume the rôle of prosecutor if the facts are to be developed and the truth disclosed. I said in that connection, having that in my mind, that I saw no objection to the Senator from Montana being a member of the committee, notwithstanding the views he expressed, and to insure fairness upon the other side I said I would be glad to see the Senator from Ohio also made a member of the committee.

Mr. President, I have just one other thing to say. It is quite evident that the next campaign is going to be very largely a washing of dirty linen. Inasmuch as that is going to be done to a very large extent, I personally would like to see all of the dirty linen of both political parties washed while we are about it. It is rather painful perhaps for the time being to both of the political parties if that be done, but in the long run I believe that good will come out of it all. I personally would like to see a general committee here with authority broad enough to investigate every officer of the Government, to investigate every violator of law having to do with the departments of the Government.

Washington especially is now full of stories and rumors insinuating corrupt conduct upon the part of nearly everybody. I should like to have a committee of the Senate sitting here for the remainder of the session so that when there be these whispers, these slanders, the men uttering them may be called before such a committee and asked if they have any facts in their possession reflecting upon the integrity of any public official or ex-public official. If they should not have, such a course would have a very salutary purpose in stopping the circulation of such charges.

We all know how such stories were circulated through the last administration and are being circulated through this one. We all have reasons to believe at the same time that there is foundation for some of the stories which have been floating about.

The evidence which has been taken in the Committee on Public Lands and Surveys has fully disclosed that, but it may not be limited to matters of which that committee has exclusive jurisdiction. I believe the public mind to-day is in such a temper that it demands that every corrupt official should be discovered and punished; and that is altogether praiseworthy upon the part of public opinion; but I am also afraid, Mr. President, that there is something of a tendency upon the part of the public to hope that public officials will be found to be corrupt rather than otherwise. I think it would clear the air if we had a committee with general jurisdiction which could examine into every question. Perhaps, if such a committee were constituted, we should find some very prominent men in this country who had been violating section 190 of the statutes of the United States, which prohibits ex-officials from practicing before departments of the Government in the prosecution of claims within two years after they retire from public office.

Mr. LODGE. Does the Senator refer to the statute in regard to practicing before departments?

Mr. LENROOT. I do. I refer to the statute in regard to practicing before departments, and if there be violations of law in that respect upon the part of ex-public officials, it is just as important that the public know of it as that it should know if there be dereliction upon the part of some one who is himself in office. If we had such a general committee as I have suggested, instead of names being bandied about every day, as they are in this Capitol and elsewhere in reference to ex-officials of the last Democratic administration, as well as Republican officials who are no longer in office, persons could be called before the committee and the truth ascertained. I believe it would be a good thing, so long as we have started this business, to have a general house cleaning; and in the long run, Mr. President, I believe as a result we should have higher standards of public conduct and public service.

Mr. WHEELER. Mr. President, I rather hesitate to say anything further at this time, in view of the fact that we not only have the heel of Achilles but the body of Hercules in the Senate. However, since some opposition has developed in reference to my being upon the proposed committee; since it has been charged that I should not be on the committee because of the fact that I have been elected by, as is asserted, and am partial to, an element which is known as the labor element in this country, I am anxious to say just a word with reference to the matter.

I feel that what the Senator from Maryland [Mr. BRUCE] has said has cast a reflection not only upon myself but upon the people of my State. The population of Montana is overwhelmingly made up of farmers. The labor element in the State composes a very small minority. The State of Montana is also overwhelmingly Republican; but notwithstanding that fact, I carried practically every county in the State by a substantial majority, and even though it were true that I had been elected solely by the laboring people of Montana, I still should be mighty proud of the fact that I had the confidence of the laboring people of my State and of this country.

If it is to be established as a precedent that because a Senator is friendly to labor he is to be kept off a committee, I am sure that many Senators now serving would never be reelected if they went to the country on that issue. The great trouble in the past has been that men have gone to the country and

told the people that they were the friends of labor and then when they were elected to this body they have betrayed the people who elected them.

I was not elected as a Republican; I was not elected as a reactionary; but I was elected by the people of Montana because they believed, and they thought that I believed, in the principles of Thomas Jefferson; and I propose to carry out those principles. I was not elected on the Democratic ticket, on the ticket of the party of Thomas Jefferson, and then expected by my people to come down here and repudiate everything for which my party stood. If I were elected upon the Democratic ticket; if I were elected by the party of Jefferson; if I were elected by the laboring people, and boasted of the fact that I had been elected by the laboring people, I should certainly feel that I should carry out the mandates of the people who elected me, and I would not, when I came here, repudiate every principle for which the people who elected me stood nor neglect the measures for which they expected me to vote.

Now, with reference to the proposed investigating committee, let me call to the attention of this body these facts: When first I introduced the resolution in the Senate stating that it was the sense of this body that Mr. Daugherty should resign, I based that purely upon what the testimony before the Public Lands Committee showed Mr. Daugherty had done or what he had failed to do with reference to this oil investigation; namely, that, notwithstanding the fact that millions of dollars had been appropriated by the United States for a large detective force and that we had at the head of that organization Mr. Burns, whose reputation and ability is undisputed—notwithstanding those facts, not one scintilla of evidence has been offered to the committee by the Department of Justice or by the Burns Detective Agency.

Further, I thought that his resignation should be demanded because of his failure to prosecute these men after the facts were known to him. I further asked that he should resign and that it should be the sense of this body that he should resign because I felt that he had not done his duty in connection with the prosecution of those implicated in the frauds in the Veterans' Bureau. I think the Senator from Pennsylvania [Mr. REED], who is chairman of the committee which investigated the Veterans' Bureau, can not and could not help come to the same conclusion, that, although the facts were known to the Attorney General, no prosecutions had been instituted and no arrests had been made.

Mr. REED of Pennsylvania. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. PEPPER in the chair). Does the Senator from Montana yield to the Senator from Pennsylvania?

Mr. WHEELER. I gladly yield.

Mr. REED of Pennsylvania. As soon as our evidence was completed we submitted it to the Attorney General and requested him to detail Mr. Crim, whom we regarded as the most vigorous prosecutor in his department, to that work. Mr. Crim had resigned, and his resignation had been accepted, but the Attorney General immediately sent for him and invited him to act as a special assistant to the Attorney General to take charge of those cases. The Attorney General offered to give Mr. Crim any help for which he might ask; and at our suggestion he likewise extended to General O'Ryan and to Major Arnold, who had been assisting our committee, invitations to enter the case as special assistants. Our committee formed the impression then that the Attorney General was doing everything in his power to prosecute those whom he had found to be guilty of fraud. I think I owe that statement to the Attorney General.

Mr. WHEELER. I am very glad to hear the Senator make it.

Mr. WALSH of Montana. Mr. President——

The PRESIDING OFFICER. Does the junior Senator from Montana yield to his colleague?

Mr. WHEELER. I yield.

Mr. WALSH of Montana. I should like to inquire of the Senator from Pennsylvania if he thinks that his committee had better facilities for ascertaining and exposing the facts than the Attorney General had with his powerful bureau of investigation?

Mr. REED of Pennsylvania. I do not know, Mr. President, that I am able to compare the two, but we were very fortunate in having the volunteered assistance of hundreds of lawyers all over the country to help us in our investigation.

Mr. WALSH of Montana. The facts unearthed by the committee of which the Senator was the chairman, of course, were not known to the public in all the detail in which they were revealed, but as soon as the Senator took the matter up he heard the rumors that were current about it.

Mr. REED of Pennsylvania. That is true, Mr. President; we heard many rumors, and some of them—most of them, in fact—were not true.

Mr. WALSH of Montana. Yes. So that these rumors must, of course, have reached the Attorney General as well as the committee?

Mr. REED of Pennsylvania. I presume that the true ones and the untrue ones alike reached the Attorney General.

Mr. WALSH of Montana. And is the Senator from Pennsylvania able to advise us what steps the Attorney General and the Department of Justice took to unearth the facts and to bring the perpetrators of these crimes to justice before the facts were unearthed by his committee?

Mr. REED of Pennsylvania. So far as I am aware, Mr. President, the Attorney General took no steps; but I do not think the Attorney General's department would be of much use to the United States if he turned it loose on every rumor that happened to reach his ears.

Mr. WALSH of Montana. Quite true; and although the committee of which I am a member were not at all equipped for the development of these facts, we went at it and got them; but, so far as I have been able to discover, neither the Attorney General nor his Bureau of Investigation ever turned a hand, either before or after we exposed the facts.

Mr. CARAWAY. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Arkansas?

Mr. WHEELER. I yield.

Mr. CARAWAY. I think the Senator is wrong in one respect, because here is his secretary notifying Mr. McLean that he had better look out, that they were coming after him.

Mr. REED of Pennsylvania. If the Senator from Montana will yield to me for one sentence more, the Veterans' Bureau frauds have been the subject of inquiry by a grand jury in Chicago for nearly a month past; and I understand that that grand jury has almost completed its labors, and that action may be expected.

Mr. WHEELER. I understand that, but will the Senator answer one question for me? The Senator states that the Attorney General's office could not be turned into following down these rumors; but how about the Burns Detective Agency, which is a part of the Department of Justice? Was any evidence furnished to the Senator's committee by this great department which the Government of the United States pays for the purpose of investigating crime?

Mr. REED of Pennsylvania. Yes; in one case we asked them for an investigation to be made in a hurry, and they did make it in a hurry, and they gave us a prompt report.

Mr. WHEELER. Yes; but had they, prior to that time, furnished the Senator's committee voluntarily with any evidence?

Mr. REED of Pennsylvania. No; they had not.

Mr. WHEELER. So I say to the Senate that when I introduced this resolution it was because I thought that, upon the face of the record, the Department of Justice was not functioning properly. Then it was that the Attorney General came in and asked for an investigation; and I was very glad, under those circumstances, to give him an investigation and let him come before a committee and explain the things which I had charged him with failing to do in the resolution which I first introduced. Consequently, I introduced the subsequent resolution asking for an investigation of the entire department.

Since the first resolution was introduced I have received from various parts of the country, almost from one end of it to the other, communications from people who have written me charging the Attorney General and the Department of Justice with various things. Therefore I felt that a general investigation should be conducted, and that these men should have an opportunity to come before the committee, and that the Attorney General himself should be called before the committee and questioned by the committee as to whether or not the things with which he has been charged were committed.

I do not know the Attorney General. I never have met him. I never have seen him, except in the Senate Chamber the other day. I have no interest in the matter excepting that I should like to see clean government in the various departments. I appreciate the fact that when any man gets up here in the United States Senate and tries to clean up a rotten situation he may expect to be abused and bullyragged, so to speak, by those who want to protect crimes and criminals.

Mr. NORRIS and Mr. HEFLIN addressed the Chair.

The PRESIDING OFFICER (Mr. MOSES in the chair) laid before the Senate a communication from the Secretary of the Interior in response to Senate Resolution 147, relative to leases of naval oil lands, which appears under its appropriate heading.

The PRESIDING OFFICER. The Senator from Nebraska.

Mr. HEFLIN. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Alabama?

Mr. HEFLIN. I was on my feet and trying to get recognition when the Chair laid before the Senate a communication that could have been postponed until after the discussion was completed, and I insist that I be recognized.

Mr. NORRIS. Mr. President, I was on my feet at the same time.

The PRESIDING OFFICER. The Senator from Nebraska is recognized.

Mr. HEFLIN. I will have to suggest the absence of a quorum, Mr. President.

Mr. NORRIS. I do not yield for that purpose.

The PRESIDING OFFICER. The Senator does not yield for that purpose.

Mr. NORRIS. There is another reason why I was entitled to recognition. I think the Senator from Alabama and I addressed the Chair at the same time; but the Senator from Alabama has spoken once at considerable length on the question now pending, and I have not had an opportunity to speak at all.

Mr. HEFLIN. I will speak at length again in a moment.

Mr. NORRIS. I have no objection to the Senator speaking for the balance of the week. I am not complaining about that at all; but I do insist that I was addressing the Chair at the same time that the Senator from Alabama was, and I submit in all fairness that when two Senators address the Chair simultaneously when a question is pending before the Senate, and one of those Senators has already spoken once on the question and the other has not spoken, it is the duty of the Chair, if he wants to be fair, to recognize the Senator who has not before spoken on the question.

The PRESIDING OFFICER. The Chair performed his duty.

Mr. NORRIS. I think the Chair did.

Mr. President, the question before the Senate is whether this committee shall be appointed by the Presiding Officer or elected by the Senate. I want to consider first some of the history of the Senate and also of the House of Representatives.

The Senator from Massachusetts [Mr. LODGE] in opening the debate gave some very interesting history about the Senate and the procedure of the Senate on this point during the century that has passed. He spoke of the precedents and the way the Senate had developed from the beginning up to its present state of practice.

I was impressed with what the Senator said. Everything else being equal, I should feel disposed to follow the Senator. Everything else being equal, I should feel disposed to vote for this motion. But, Mr. President, there are some of the precedents of the Senate that it seems to me the Senate will do quite well in overruling. There are some of the customs of the Senate, honored as they may be by the observance of a century of history, that we could well at least temporarily overlook.

I see in front of me the desk of the Senator from Massachusetts [Mr. LODGE], and I am reminded of one of the ancient landmarks of the Senate, necessary years ago, before some ingenious Yankee had discovered blotting paper, but entirely out of date now, though still adhered to by the Senate. Upon every Senator's desk is a little sort of an inkwell, a sort of a pepperbox, filled with black sand. There was a time when that was of some value and use to a Senator. Before we had typewriters and typists, when Senators sat at their desks and wrote in longhand the letters which they sent to their constituents, they used this sand to put on the letters and blot the ink. We have not done it for years, but still we retain the old custom, and there is a bottle of sand on every Senator's desk. There is no other thing that would induce us to have sand on a Senator's desk except custom, because no one can claim that a United States Senator does not have all the sand he needs.

Mr. ROBINSON and Mr. LODGE addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Nebraska yield; and if so, to whom?

Mr. NORRIS. I yield first to the Senator from Arkansas.

Mr. ROBINSON. Surely the Senator does not mean to imply that Senators are lacking in sand or grit?

Mr. NORRIS. They certainly are not lacking in sand, because everyone has an individual bottle of it.

Mr. LODGE. Mr. President——

Mr. NORRIS. Now I yield to the Senator from Massachusetts.

Mr. LODGE. I was simply going to say that having entered upon this path of reform, and having started to remove the old things, I hope the Senator is not going to remove the snuff-boxes.

Mr. NORRIS. I am not going to remove anything.

Mr. LODGE. We have two snuffboxes here that nobody ever uses.

Mr. NORRIS. I am going to call attention to the fact that the Senator from Massachusetts, who now honors me with his attention, has himself violated one of the ancient rules of the Senate while he is asking us to enforce another one equally as ancient. Look upon the Senator's desk. He has taken this sand bottle of ancient days and of ancient usage and now, at this moment, is using it as a paper weight. That is very sensible, but it is a violation of the ancient custom which has come down from the days of Clay and Webster; and so the Senator is violating this rule.

We have at each side of the Senate Chamber a little black box filled with snuff. There is one on the Republican side, and whatever the Republicans have the Democrats have to have, so there is another one over there. The Senate could not exist without those snuff boxes. They are as ancient as the hills, as rockribbed as the mountains, but we must have them. We must maintain the old dignity, and the old forms, and the ancient customs, even though they are of no use now.

It would not hurt us, Mr. President, if, following the leadership of the distinguished Senator who is now violating one of our ancient rules, we took one further step and elected this committee instead of having it appointed by the Chair. We have some wonderfully good precedents on it. This investigation is not so very dissimilar to an investigation which took place a good many years ago known as the Ballinger-Pinchot investigation. Many Senators are here still who were here when that investigation took place. The country has been talking about it somewhat lately, but it has forgotten entirely how that happened to be a real investigation instead of a whitewashing expedition.

As a matter of fact, if you will look up the history of the matter you will find that when Mr. Ballinger was Secretary of the Interior, and Gifford Pinchot was the forester, and a man by the name of Glavis held another important position in the department, a great controversy came on; and the charge was made throughout the country, in the newspapers and in magazine articles, that the Secretary of the Interior was not properly preserving the coal of the United States, and that he was about to turn over up in Alaska a whole lot of coal fields to speculators and deprive the people of the United States, who owned them, of their rights. It became so clamorous that Mr. Ballinger himself demanded an investigation, as the Attorney General has done in this case. Now, it had been the custom, as outlined by the Senator from Massachusetts, for the Presiding Officer of the Senate to appoint committees, and for the Speaker of the House to appoint committees.

Mr. ROBINSON. Mr. President, will the Senator yield?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Arkansas?

Mr. NORRIS. Yes.

Mr. ROBINSON. The Senator of course knows that that is solely because the two Houses, particularly the Senate, have ordered that that be done.

Mr. NORRIS. Yes.

Mr. ROBINSON. The rule of the Senate requires the Senate to elect its committees, not only the standing committees but the special committees.

Mr. NORRIS. Yes; I understand that that is the rule of the Senate. It has been read here. The Senator himself read it.

Mr. ROBINSON. And we, in effect, suspend the rules whenever we do otherwise.

Mr. NORRIS. Exactly; we do that every time, but that has been our custom, as the Senator from Massachusetts says. We have been suspending the rules all this time.

Now, let me go on with the Ballinger-Pinchot investigation. The resolution of investigation was prepared, it was quite generally believed at the time, in the office of Mr. Ballinger himself. It was a concurrent resolution which proposed to authorize the appointment of a joint committee, half Senators and half Members of the House, to investigate the controversy. It was intended, I have no doubt, to whitewash the entire transaction. The whitewash was all prepared, the brushes were purchased, and were placed in the hands of Members who were to go on that committee. The resolution provided that half of the committee should be appointed by the President of the Senate, and the other half should be appointed by the Speaker of the House. The resolution passed the Senate in that way. It came to the House. The day that resolution was taken up in the House the morning papers announced just what was going to be done. The morning papers announced that as soon as the House convened Mr. Dalzell, of Pennsylvania, would

bring in a special rule authorizing the taking up of this resolution for the appointment of this committee of investigation; that thereupon it would be passed; and that after it was passed certain Members—naming them—would be appointed by the Speaker to complete the committee, half of which had been appointed by the Senate.

It was all fixed. The machinery was all oiled. Everything was in working order and nobody doubted but what it was going through. But unfortunately a Member of the House secured the floor and offered an amendment, which provided that the words "appointed by the Speaker" should be stricken out and that the words "elected by the House" should be inserted in their stead, and immediately consternation ruled. There were insurgents in the House then, radicals, as there are in the Senate now, and they united with the minority party and adopted that amendment. There we had the Speaker shorn of his power, and after two or three days' deliberation, and after conferences back and forth had taken place, not a single man who had practiced with his whitewash brush to go on that committee was put on the committee. It became a real, genuine investigating committee.

Mr. ROBINSON. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Arkansas?

Mr. NORRIS. I yield.

Mr. ROBINSON. Was not that also during the time when the Speaker, under the rules of the House, appointed all the committees?

Mr. NORRIS. Oh, yes. In other words, a precedent was violated, a precedent was broken. A rule that had come down for years, and which the older Members usually looked upon as sacred and holy, had been set aside and a new rule substituted. A different committee was elected, and that investigation became a real investigation, as everybody knows. All the facts were brought out, and although no action was ever taken by the House or the Senate on the reports that came in from that investigating committee, the effect on the country was just the same as though the House and the Senate had acted.

It will be so in this case, Mr. President. When the committee that is to be appointed develops the evidence, it will have completed its duty. The verdict is going to be rendered by the people of the United States. We are not the jury. The jury are the patriotic people of the country, and they want to know whether the charges which are made against the Department of Justice are true or false; whether they are partly true and partly false; and if so, what is true and what is false. I do not care who compose the committee, if it will but uncover the evidence and go to the bottom. We must have a committee against which there can be no taint of suspicion. If I were the Presiding Officer of the Senate, I would pray that the amendment of the Senator from Massachusetts should be defeated and that this committee should be elected. I would be glad to be relieved of the responsibility.

There has been a good deal said on both sides as to the packing of this jury, as it has been called. As I said, it is not to be a jury; it is to be an investigating committee. It is not a court. It is different from a court, although it has some of a court's attributes. It is an investigating committee. A jury never investigates. A court never investigates. But this committee must investigate. It will not be worth much if it does not. We must have a committee that will investigate. I do not want to cast any reflection upon anyone, particularly not upon the President pro tempore of the Senate. As far as I am concerned, I would be perfectly willing to let him appoint the committee. I think he would appoint a good committee. But if that committee were appointed and made a report after an investigation, conceding they had done their duty properly, and found nothing, there would be a suspicion that something was wrong.

It has been developed here that the Senator from Ohio [Mr. WILLIS] has talked with the Attorney General about the committee, and that in turn he has talked with the Presiding Officer. I do not think that would influence our Presiding Officer, but it at least would not put the committee that is to be appointed before the country in the light in which it ought to stand.

On the other hand, suppose we named the very committee who were originally named in the resolution. Can anyone say they would not do their duty? Does anyone believe for a moment that the junior Senator from Iowa [Mr. BROOKHART], who was named as chairman of that committee, would not perform his duty? If it is said that he has an unfriendly attitude toward the Attorney General, what of it? If it is an investigating committee, it is going to bring out the evidence, and he would bring it out better even than if he were the friend of the Attorney General, would he not? After all, that is all this committee is going to do. I do not care what they say. I will form my opinion from my reading of the evidence, and so will other Senators, and so will everybody else in the country.

I do not see anything wrong with any member of the committee who was named originally, although that was a new venture in the selection of a committee. I would not want to have committees appointed in that way. But the very moment any question is raised about the fairness of this committee, if we want an investigation that will have the confidence of the country, that very moment it becomes necessary that we shall have it absolutely shorn of any suspicion from any source.

Mr. President, the Senator from Montana ought to be on this committee, I do not care whether it is elected or whether it is appointed. His selection would follow out a long custom, which I think was a good one. If we were selecting a court I would not pick the Senator from Montana because of the charges he has made. Let us see what would happen if we appointed a committee and said to that committee, "Now, you are a jury. You must not do anything else than that which a jury would do." They would sit up behind the desk and say, "The committee will come to order. We are appointed to investigate the character of the Attorney General, or the management of the Department of Justice by Mr. Daugherty. We are ready to listen to evidence." They would be waiting as the Presiding Officer does when he asks whether there is any objection. The chairman of the committee would say, "The committee hears no evidence. We will adjourn. It is all over." Who would produce the evidence? Who would bring the witnesses? Who would call their attention to anything?

When you are selecting a juryman you do not select the man who made the complaint. We are not so careful about a judge, for a judge is not disqualified because he has read all about the case in the newspapers. A judge on the bench is not disqualified from trying a case unless he is related to one of the parties or has a financial interest in the result of the litigation pending before him. He may himself be an important witness and not be disqualified.

Perhaps it is a little uncommon, but it occurs occasionally that the presiding judge is sworn to testify before a jury in a case where he is presiding.

So we ought to disabuse our minds, it seems to me, of the fact that we are going to pick a jury out of the Senate to try Mr. Daugherty. We could not get such a jury here. I presume there is not a member of the Senate who would be qualified to sit, under his own testimony, if the rules of law were applied that are applied in the selection of a jury.

Let no one shed any crocodile tears because the Attorney General is not going to be properly defended. He has already notified us through the telegram the Senator from Ohio has put into the RECORD that he has employed ex-Senator Chamberlain and ex-Congressman Paul Howland, of Ohio, as his attorneys, and that they are here ready to go ahead. I happen to know both those men. We all know ex-Senator Chamberlain and recognize his ability. Paul Howland is one of the ablest lawyers in the State of Ohio, and both are very fine gentlemen. So let no one get the idea that Mr. Daugherty is going to come before this investigating committee without being properly represented.

There is only one theory on which the Senator from Montana should be excluded from this committee. If you want to select the committee and make a jury of it, then get some Members of the Senate who have not made up their minds on the matter, select the Senator from Montana as an attorney, give definite instructions to the committee that upon his demand they shall issue subpœnas, they shall give him power to compel the attendance of witnesses, they will send for papers and documents, whatever it may be that he may demand. Then place him on one side of the table and ex-Senator Chamberlain and ex-Congressman Howland on the other side and have a lawsuit out of it, if you want to.

But that is not what this resolution provides, and we must not get the idea that it does. Here are some Senators appointed to make an investigation. They must know something about the alleged facts, or they can not make it, or they must delve into the facts and find out what they are. The Senator from Montana is one Senator of all others who ought to be on that kind of an investigating committee.

It is said, Mr. President, that practically these same charges were made against Mr. Daugherty on an attempted impeachment proceeding in the House. I presume that is true.

But it is also claimed—and I say claimed because I confess I do not know; I was not there; I did not see the proceedings

that went on, nor did I hear any of the evidence that was offered or contemplated—it is at least claimed by those who were interested in the impeachment proceedings that they had a committee which was unfair. I saw one of them yesterday, a gentleman who laid on my desk in my office a report of the grand jury in this District saying, in effect, that a lot of whisky had been taken by the Department of Justice in raids which had been made, and that while in the custody of the the Department of Justice officials of the Department of Justice had stolen it and taken it away. That was the substance of it. I do not know whether that is true or not. If that is true, it is a serious indictment of the Department of Justice. It is one of the things the committee will go into, I presume. I said to the man who was talking about the impeachment proceedings, "Why was not that offered? Why did you not bring it out?" He said, "They would not let us." I do not know whether he was telling the correct thing or whether it was a good explanation as to the reason why it was not brought out.

Mr. CARAWAY. Mr. President, may I interrupt the Senator a moment?

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Arkansas?

Mr. NORRIS. Certainly.

Mr. CARAWAY. I am sure from what I was told that they put in some days, or some time at least, determining whether they would subpœna me because I had made some statements about the Attorney General. I had some information and some papers that I tried to turn over to somebody, whoever would take them, and I never could get anybody who had authority to hear anything or receive any papers.

Mr. NORRIS. That is what they claimed to me; that it was an unfair proceeding. The Attorney General was there with his attorney. Mr. Howland was his attorney there. Appoint a committee that does not know anything about it and has no attorney to prosecute, and let the man who is being investigated come with a couple of bright attorneys, and the investigation will amount to nothing. An investigation never has and never can amount to anything under such circumstances.

Now, the charge is made that those who want to bring out the facts were precluded from doing so by unfair methods. The country has heard that, right or wrong. We ought to take a step here now to place ourselves in a position where that charge can not be made. Under some of the things that have happened here, in my humble judgment, if the amendment of the Senator from Massachusetts prevails and the Presiding Officer of the Senate appoints the committee, it will create a suspicion that will at once go out, even though it is not well founded. Whatever the result may be, it will be unsatisfactory.

On the other hand, there can be no injustice to the Attorney General if the Senator from Montana is a member of the committee. Another Senator who was originally suggested for the committee is the Senator from Arizona [Mr. ASHURST]. Is there anyone who doubts that Senator's desire and his ability when he hears the evidence to do what is right? Those of us who have served with him on committees, those of us who have served with him in the Senate, know that while he is a strong partisan, as a matter of fact, when it comes to a question of evidence, when it comes to a question of right or wrong he will be found standing up courageously without regard to politics, friendship, or anything else, and he will have the courage to do what he thinks is right.

So I could go on with every member of the proposed committee. There may none of them be appointed, but I do not know where we could go in the Senate to get a committee which could do an injustice to the Attorney General, defended, as he will be, by these attorneys. It is the evidence that will come out, that ought to come out, that must not be covered up, and when it comes out the American people are going to be the members of the jury and are going to render the verdict. If the committee should be harsh, if the committee should show by its action that it was not fair to the Attorney General, it would be the American people who would render a judgment of condemnation of the committee. The committee will be trying this matter in the face of all the people of the country. If they will not cover up the evidence, if they will let it come out from both sides, if they will be lenient with the rules, I do not care what they may say; if they let the evidence come out and the American people hear it, that is where the judgment will be rendered. That is where it ought to be rendered, and there is where in the end it must be rendered.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Ohio?

Mr. NORRIS. I yield.

Mr. WILLIS. I heard the Senator a moment ago say something about the Attorney General being represented by attorneys. Is it the understanding of the Senator from Nebraska that the committee would permit the Attorney General to be present in person or by counsel and defend himself?

Mr. NORRIS. Why, yes; both.

Mr. WILLIS. The Senator thinks he ought to have both privileges?

Mr. NORRIS. Certainly.

Mr. WILLIS. I quite agree with the Senator.

Mr. NORRIS. I can not conceive of the committee saying to the Attorney General, "You can not be present. We will do this in secret. You can not have an attorney." Let him have a dozen attorneys if he wants to. I would condemn a committee, no matter who might compose it or what it might be, if it would not permit the Attorney General to be represented by an attorney if he wanted to be, and to be present in person if he wanted to be, and the people would condemn such action on the part of the committee. I can not conceive of a committee of the Senate depriving a man of that right.

Mr. WILLIS. Does the Senator think, in harmony with the practice of the Senate, that it would be proper for the Attorney General to suggest to the committee the names of witnesses whom he might desire to have subpœnaed in his behalf?

Mr. NORRIS. Certainly.

Mr. WILLIS. I again agree with the Senator from Nebraska.

Mr. NORRIS. Of course. I can not conceive of any committee refusing to subpœna a witness unless it became apparent that he was playing with the committee. They must be given that latitude. I do not think anybody wants to do anything else.

Mr. CURTIS. Will the Senator permit me to violate another rule and submit a unanimous-consent request that when the Senate concludes its business to-day it shall take a recess until 12 o'clock to-morrow?

Mr. NORRIS. Does the Senator want to quit now?

Mr. CURTIS. I would be very glad to quit now.

Mr. NORRIS. I would be willing to yield the floor then.

Mr. HEFLIN. I will not agree to a unanimous consent until I make a short statement.

The PRESIDING OFFICER. The Senator from Nebraska has the floor.

Mr. FESS. Mr. President, will the Senator from Nebraska yield to me?

Mr. NORRIS. Certainly.

Mr. FESS. The Senator from Nebraska referred to the investigation in the House last session. I thought he suggested that it was not a fair investigation. I watched that investigation very carefully. Will the Senator permit me to have inserted in the RECORD the names of the members of the committee that made the investigation?

Mr. NORRIS. I have no objection to that, but I would rather the Senator would wait until I conclude, and he can then put the names in the RECORD.

Mr. ROBINSON. What is the request?

Mr. NORRIS. The Senator from Ohio wants to place in the RECORD the names of the House committee that held the investigation.

Mr. HEFLIN. I think that had better wait until to-morrow.

Mr. NORRIS. I did not charge that the committee was unfair. I said I did not know. I was not there. I did not read the evidence. But the charge was made that it was unfair.

Mr. FESS. I know that the charge was made.

Mr. NORRIS. It was made by some good men, because they made it to me. I called attention to the fact that yesterday a copy of a report of the grand jury on the Department of Justice in some whisky business that was investigated by the grand jury was laid before me. I asked the man then, "Why did you not present this before the House committee?" He said, "We wanted to do so, but did not have an opportunity. They would not let us do it."

Mr. FESS. If the Senator will permit me, I think he will agree that the membership of the Judiciary Committee of the House represents as high intelligence and fairness as any group of men in that body or this. I simply wanted to insert in the RECORD the names of the Members in connection with the Senator's statement.

Mr. NORRIS. I want to say just a word about that.

Mr. LODGE. Mr. President, may I ask for information how that committee was made up?

Mr. NORRIS. It was the regular standing Judiciary Committee of the House.

Mr. LODGE. Both parties were represented on it?

Mr. NORRIS. Oh, yes.

Mr. LODGE. What was the report of the committee? How did the committee stand?

Mr. FESS. Twenty to one for acquittal.

Mr. NORRIS. Since this interruption has come, I am going on a little while. The names of the members of the Judiciary Committee of the House can be found by looking in the Congressional Directory. They are already in the RECORD. I have no objection to putting them in again. I want distinctly to say that I made no charge against the members of that committee or against any member of it. I am simply saying that the charge has been made, and to a greater or less extent it is already believed by a large number of people over the country, that it was not a fair trial. It was so alleged in the papers. I have read statements in the papers which, if they were true, it seemed to me, indicated that the committee was not doing the right thing, but I do not know whether those statements were true or not.

I am calling attention to the condition of the public mind on the matter. If we are going into the same thing we must avoid any possibility of suspicion on the part of the people of the country as to the personnel of our committee on investigation. That was the point I wanted to bring out.

Mr. HEFLIN. Mr. President, I shall detain the Senate but a moment. The Senator from Wisconsin [Mr. LENROOT] called upon the senior Senator from Montana [Mr. WALSH] to state whether he thought there was any impropriety in his visit and the visit of the Senator from Utah [Mr. SMOOT] to Mr. Fall in the Wardman Park apartment. The Senator from Montana stated in substance, I am sorry to say, that he saw nothing improper in it. That does not in any sense represent my view of the matter. The Senator from Montana, of course, has a right to his views and has the right to express them either here or elsewhere. But I do not think that the conduct in question was at all proper. I think it was very improper. I think that it was very reprehensible. I do not think that any two Democrats, if they were on a committee investigating a former Democratic Cabinet member, should go to his apartment and be closeted with him about a matter in which the whole country was interested and about the matter being investigated by the committee, where both Democrats and Republicans were appointed to represent the Senate and the people in the investigation.

I still hold to that view. It would not make any difference with my own personal conviction if every Senator in this body felt the other way about it. I dare say, however, that at least 80 Senators out of the 96 do not feel that way about it. If they do not, let them say so. I think I shall give Senators an opportunity in a few days, in a resolution touching that very thing, to express themselves upon the matter.

Mr. NORRIS. Mr. President, may I interrupt the Senator?

The PRESIDING OFFICER. Does the Senator from Alabama yield to the Senator from Nebraska?

Mr. HEFLIN. Certainly.

Mr. NORRIS. On that point I would like to suggest to the Senator that while I think the propriety or the impropriety of the Senators going down to call on Senator Fall under some circumstances might well be open to question, I would not condemn anybody, because it seems to me it is rather an open question whether that was the right thing to do or not. I would not condemn anybody because they did it. It does seem to me, I would like to say to the Senator—nobody has said it, and it seems to me it ought to go in the RECORD—that having gone to see Mr. Fall, as they did, it was their duty, the first thing upon the reassembling of the committee, to have told to the other members of the committee that they had done so and to have told them the result of their visit.

Mr. HEFLIN. Mr. President, I thank the Senator. We are in entire agreement on that. I said that this morning. I am glad the Senator from Nebraska feels the same way about it. I was sure that he would.

Mr. President, I am never going to give my consent, so long as I am a member of this body, for a thing like that to become a precedent. I can understand how Members associated with each other on committees feel a delicacy in not responding when some member of the committee is under criticism for some conduct, but this is not a matter where senatorial courtesy can obtain. This is a matter which affects the whole American people and the very life of this Nation itself.

If men in high place can squander the public domain which has been committed to their care and keeping and then, when brought to account, members of a committee, their own partisans, can call upon them and sit in secret conclave and discuss the matter and never disclose it until other things that come out force a disclosure, the Government is being betrayed and assaulted from the inside, and the day is not far distant when we shall feel their deadly sting and assault more than now.

I desire to say now, and then I shall be through for this afternoon, for I may have some further observations to make on another phase of this matter in the morning. Now, in conclusion, speaking about the White House wire, I stated that there was some suggestion about a wire being in the White House or the telegraph operator in the White House being the operator of Ed McLean. I was not clear about that subject and said so, but since the Senator from Wisconsin called into question my statement upon it, and he heard my speech, I desire to remind him that Major, Mr. McLean's close friend, wired him on December 22:

> You should install private wire because of congressional situation. It will give you quick access to the White House.

Now, let the Senator from Wisconsin ponder that to-night and explain it to me in the morning if he can. McLean wired back:

> Am having wire installed. Please take up with Smithers at the White House.

I leave it to the two Senators, the Senator from Wisconsin, and the Senator from Utah, to explain that to me in the morning.

Mr. CURTIS. Mr. President, I ask unanimous consent that when the Senate concludes its business to-day it take a recess until 12 o'clock noon to-morrow.

The PRESIDING OFFICER. The Senator from Kansas asks unanimous consent that when the Senate concludes its business to-day it take a recess until 12 o'clock to-morrow. Is there objection?

Mr. LODGE. I do not object; I am entirely in favor of the proposition; but I wish to give notice that I shall ask for a short executive session.

The PRESIDING OFFICER. Is there objection to the request for unanimous consent asked by the Senator from Kansas? The Chair hears none, and the unanimous-consent agreement is entered into.

Mr. JONES of New Mexico. Mr. President, it seems to me before we adjourn that brief reference should be made to some remarks of the junior Senator from Wisconsin [Mr. LENROOT]. He made a statement which I believe is likely to mislead the public mind regarding some phases of the discussions which have been going on to-day. I asked the reporter to transcribe two or three sentences from the remarks of the Senator from Wisconsin and the remarks of the Senator from Massachusetts [Mr. LODGE], which I desire to read to the Senate. The junior Senator from Wisconsin said:

> I think it would clear the air if we had a committee with general jurisdiction that could examine into every question. Perhaps if such a committee were constituted we should find some very prominent men in this country who had been violating section 190 of the Statutes of the United States, which prohibits ex-officials from practicing before departments of the Government in the prosecution of claims within two years after they retire from public office.
>
> Mr. LODGE. Does the Senator refer to the statute in regard to practicing before departments?
>
> Mr. LENROOT. I do. I refer to the statute in regard to practicing before departments; and if there be violations of law in that respect upon the part of ex-public officials it is just as important that the public know of it as that it should know if there be dereliction upon the part of some one who is himself in office.

Mr. President, I think there can be no doubt but what that statement of the junior Senator from Wisconsin is bound to leave an erroneous impression upon the minds of all those who may read his remarks. There can be but one inference from those remarks, and that is that an official of the Government within two years after his retirement from office is prohibited under the penalty of law from practicing before any of the departments of the Government. I simply wish to read the statute to which the Senator from Wisconsin referred, in order that the matter may be thoroughly understood. Section 190 of the Revised Statutes reads as follows:

> SEC. 190. It shall not be lawful for any person appointed after the 1st day of June, 1872, as an officer, clerk, or employee in any of the departments, to act as counsel, attorney, or agent for prosecuting any claim against the United States which was pending in either of said departments while he was such officer, clerk, or employee, nor in any manner, nor by any means, to aid in the prosecution of any such claim within two years next after he shall have ceased to be such officer, clerk, or employee.

The statute presents an entirely different situation from that which would be inferred from the reading of the remarks of

the junior Senator from Wisconsin. The matter in litigation must have been a claim against the United States, and it must have been a claim pending while the individual was an officer of a department of the United States. There is no law making it a criminal offense to practice generally before the departments of the Government within two years after an officer shall have retired from office.

Mr. LODGE. I am perfectly aware of the statute. It is that statute to which I referred.

Mr. JONES of New Mexico. But the Senator's remarks certainly indicated that there was a statute prohibiting any ex-official from practicing before the departments regarding any matter.

Mr. LODGE. I knew of the statute and I knew of its limitations. That is why I asked the question of the Senator from Wisconsin.

Mr. JONES of New Mexico. But the public did not know its limitations. I do not attribute any ulterior motive to the Senator from Massachusetts, but the remark of the Senator from Massachusetts, as well as the remarks of the junior Senator from Wisconsin, undoubtedly would leave an erroneous impression in the mind of the casual reader who was not familiar with the statute.

Mr. LODGE. I ask the Senator from Wisconsin if that was the statute to which he was referring? What else did I say?

Mr. JONES of New Mexico. The Senator from Massachusetts asked:

> Does the Senator refer to the statute in regard to the practicing before departments?

Mr. LODGE. Yes; and the statute the Senator has read refers to that matter.

Mr. JONES of New Mexico. But there is not any law regarding general practice before the departments.

Mr. LODGE. There is a statute referring to practice before departments.

Mr. JONES of New Mexico. There is no general statute——

Mr. LODGE. I beg the Senator's pardon; the statute he has just read refers to practice before the departments.

Mr. JONES of New Mexico. There is a law prohibiting an official within two years after he retires from office from appearing as counsel and prosecuting a claim against the United States which was pending when he was in office.

Mr. LODGE. Precisely; from prosecuting a case before a department.

Mr. JONES of New Mexico. The Senator is entitled to his interpretation. I have read the statute.

Mr. WILLIS. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Ohio?

Mr. JONES of New Mexico. I yield the floor.

Mr. WILLIS. I desire to ask the Senator from New Mexico a question. In view of his interesting discussion, is it his opinion that the practice of Mr. McAdoo before the Treasury Department, as outlined in his statement in the newspaper this morning, is legal? What is his view as to that?

Mr. JONES of New Mexico. I will say to the Senator that I did not read the statement in the newspaper this morning, but I have not any doubt that the junior Senator from Wisconsin had in mind something Mr. McAdoo had been doing, and it was for that reason that I rose, for the purpose of presenting the law bearing upon such practice. I do not think the Senator from Ohio will insist that Mr. McAdoo has violated the statute.

Mr. WILLIS. I was seeking the opinion of the Senator from New Mexico, and I wondered, passing by for the moment the question of legality, whether he approved of the policy of such action. It must be evident that Mr. McAdoo did practice before the Treasury Department according to the statement to which I have referred. Does the Senator from New Mexico approve of that practice?

Mr. JONES of New Mexico. I know absolutely nothing about the facts in the case.

Mr. LODGE. Mr. President——

The PRESIDING OFFICER. Does the Senator from New Mexico yield to the Senator from Massachusetts?

Mr. JONES of New Mexico. I yield.

Mr. LODGE. I pass no judgment upon the matter, for there has been no proof furnished; but it has been stated in the newspapers that Mr. McAdoo appeared before the Treasury Department in a case involving the abatement of taxes, which is a claim against the Government, in the employ of a corporation within less than two years after he had left office. That is the statement in the newspapers. I do not say that it is true, but it covers every one of the conditions to which the Senator from New Mexico has adverted.

Mr. JONES of New Mexico. I submit the Senator from Massachusetts has not covered the conditions. The Senator from Massachusetts has not made the statement or even suggested that it was a matter which was pending in the Treasury Department when Mr. McAdoo was Secretary of the Treasury.

Mr. LODGE. Where would a claim for back taxes appear except in the Treasury Department? Where would it arise?

Mr. JONES of New Mexico. There is no statement as to when the claim was pending, and there is no statement as to when it accrued.

Mr. LODGE. I only know what appears in the newspapers. Of course, the case was pending or there would have been no claim made.

Mr. JONES of New Mexico. I submit that the Senator from Massachusetts is assuming much which he can not state of his own knowledge.

Mr. LODGE. I am assuming nothing except what is stated in the newspapers. I do not say that the statement is true, for I do not know the facts further than as set forth in the newspaper.

Mr. JONES of New Mexico. I will ask the Senator from Massachusetts if he has ever seen in any newspaper a statement as to when that claim first arose?

Mr. LODGE. It was a claim for taxes for the previous year.

Mr. JONES of New Mexico. The Senator is assuming something. We do not know about that. Does the Senator know that it was a claim for taxes for the previous year?

Mr. LODGE. That is what I saw stated in the newspaper, but the Senator is evidently fully informed in regard to the matter.

Mr. JONES of New Mexico. I submit that on his own statement the Senator from Massachusetts does not bring the case within the statute, and the wrong impression is evidently in his mind as to what the statute means.

Mr. LODGE. Not at all; and I know what the statute means; I have read it.

Mr. JONES of New Mexico. It was quite necessary that the public, in view of the remarks of the distinguished Senator from Massachusetts and of the distinguished Senator from Wisconsin, should have some further light on the subject, and that is why I rose, Mr. President.

Mr. LODGE. The Senator has enlightened the subject very much.

EXECUTIVE SESSION.

The PRESIDING OFFICER. The pending question is on agreeing to the amendment proposed by the Senator from Massachusetts.

Mr. LODGE. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After 12 minutes spent in executive session the doors were reopened, and (at 5 o'clock and 42 minutes p. m.) the Senate took a recess until to-morrow, Saturday, March 1, 1924, at 12 o'clock meridian.

NOMINATIONS.

Executive nominations received by the Senate February 29, 1924.

PROMOTIONS IN THE REGULAR ARMY.

To be captain.

First Lieut. Clarence Humbert Murphy, Cavalry, from February 25, 1924.

To be first lieutenants.

Second Lieut. John Harvey Madison, Coast Artillery Corps, from February 22, 1924.

Second Lieut. George Edward Bruner, Infantry, from February 24, 1924.

MEDICAL ADMINISTRATIVE CORPS.

To be first lieutenant.

Second Lieut. James Ault Ramsey, Medical Administrative Corps, from February 22, 1924.

POSTMASTERS.

ALABAMA.

George E. Ellis to be postmaster at Marvel, Ala., in place of L. W. Bowman. Office became third class October 1, 1923.

David P. Woodall to be postmaster at Hillsboro, Ala., in place of C. O. Irwin. Office became third class October 1, 1923.

Annie R. Sherren to be postmaster at Phenix City, Ala., in place of W. T. Hogan. Incumbent's commission expired February 11, 1924.

Alexander H. Byrd to be postmaster at Eutaw, Ala., in place of J. J. Dunlap. Incumbent's commission expired February 11, 1924.

Margie Gardner to be postmaster at Aliceville, Ala., in place of Margie Gardner. Incumbent's commission expired February 11, 1924.

ARIZONA.

Arthur H. Sellers to be postmaster at Chandler, Ariz., in place of L. C. Parke, resigned.

ARKANSAS.

James W. Slover to be postmaster at Harrison, Ark., in place of A. C. Brooks. Incumbent's commission expires March 2, 1924.

CALIFORNIA.

Belle Kornelissen to be postmaster at Newhall, Calif., in place of A. C. Swall, resigned.

Manuel S. Trigueiro to be postmaster at San Miguel, Calif., in place of M. S. Trigueiro. Incumbent's commission expired February 11, 1924.

Nettie Fausel to be postmaster at Independence, Calif., in place of Nettie Fausel. Incumbent's commission expired February 11, 1924.

Carrie I. Pfau to be postmaster at Fairfield, Calif., in place of C. I. Pfau. Incumbent's commission expired February 11, 1924.

Wesley A. Hill to be postmaster at Eureka, Calif., in place of Willard Wells. Incumbent's commission expired August 15, 1923.

William B. Higgins to be postmaster at Baypoint, Calif., in place of W. B. Higgins. Incumbent's commission expired February 11, 1924.

COLORADO.

Thomas B. Scott to be postmaster at Meeker, Colo., in place of N. M. Cunningham. Incumbent's commission expired February 18, 1924.

Harold J. Schwarzel to be postmaster at Carbondale, Colo., in place of H. J. Schwarzel. Incumbent's commission expired February 18, 1924.

John Davis to be postmaster at Arriba, Colo., in place of John Davis. Incumbent's commission expired February 18, 1924.

CONNECTICUT.

Clifford E. Chapman to be postmaster at Niantic, Conn., in place of C. E. Chapman. Incumbent's commission expired February 4, 1924.

FLORIDA.

Mary Joyner to be postmaster at Bagdad, Fla., in place of Mary Joyner. Incumbent's commission expired February 14, 1924.

IDAHO.

Peter W. McRoberts to be postmaster at Twin Falls, Idaho, in place of M. A. Stronk. Incumbent's commission expired February 4, 1924.

Arthur B. Bean to be postmaster at Pocatello, Idaho, in place of L. M. Rusk. Incumbent's commission expires March 2, 1924.

LOUISIANA.

Theodore G. Ashlock to be postmaster at Ville Platte, La., in place of C. A. Thompson. Incumbent's commission expired December 13, 1922.

MAINE.

Carl W. Mitchell to be postmaster at Union, Me., in place of E. A. Matthews. Incumbent's commission expired February 11, 1924.

MASSACHUSETTS.

Chestina B. Robbins to be postmaster at East Templeton, Mass., in place of C. B. Robbins. Incumbent's commission expired February 4, 1924.

Isabella Crocker to be postmaster at Cotuit, Mass., in place of Isabella Crocker. Incumbent's commission expired February 4, 1924.

MICHIGAN.

Melvin A. Bates to be postmaster at Grayling, Mich., in place of H. F. Peterson, resigned.

Wilda P. Hartingh to be postmaster at Pinconning, Mich., in place of W. P. Hartingh. Incumbent's commission expired January 26, 1924.

MINNESOTA.

Louis W. Galour to be postmaster at Iona, Minn., in place of L. W. Galour. Incumbent's commission expired February 18, 1924.

Carl H. Schuster to be postmaster at Biwabik, Minn., in place of C. H. Schuster. Incumbent's commission expired February 18, 1924.

Paul B. Sanderson to be postmaster at Baudette, Minn., in place of P. B. Sanderson. Incumbent's commission expired February 18, 1924.

MISSOURI.

John S. McCrory to be postmaster at Linn Creek, Mo., in place of Kate Farmer, resigned.

NEW HAMPSHIRE.

Arthur M. Rolfe to be postmaster at Salem Depot, N. H., in place of A. M. Rolfe. Incumbent's commission expired February 20, 1924.

NEW YORK.

Fred W. Ravekes to be postmaster at Ardsley on Hudson, N. Y., in place of E. W. Hempstead, deceased.

Harry B. McHugh to be postmaster at Wallkill, N. Y., in place of Peter Marcinkowski, jr. Incumbent's commission expired November 21, 1922.

Charles Blackburn to be postmaster at Southampton, N. Y., in place of F. T. White. Incumbent's commission expired February 18, 1924.

Kate L. Holden to be postmaster at Peru, N. Y., in place of B. E. Holden. Incumbent's commission expired February 14, 1924.

Robert L. McBrien to be postmaster at Huntington, N. Y., in place of R. L. McBrien. Incumbent's commission expired February 18, 1924.

Charles A. Partridge to be postmaster at Berkshire, N. Y., in place of A. H. Ford. Incumbent's commission expired February 4, 1924.

OHIO.

Frank L. Lee to be postmaster at East Youngstown, Ohio, in place of T. R. Gordon, resigned.

Frank H. Shaw to be postmaster at Germantown, Ohio, in place of F. H. Shaw. Incumbent's commission expires March 2, 1924.

Howard E. Foster to be postmaster at Chagrin Falls, Ohio, in place of J. C. Steel, jr. Incumbent's commission expired February 24, 1924.

OKLAHOMA.

Ada M. Thompson to be postmaster at Mannford, Okla., in place of A. M. Thompson. Office became third class October 1, 1923.

OREGON.

Don Ellis to be postmaster at Garibaldi, Oreg., in place of A. M. Ellis. Office became third class April 1, 1923.

David S. Young to be postmaster at Defur, Oreg., in place of D. S. Young. Incumbent's commission expired February 11, 1924.

PENNSYLVANIA.

Thomas W. Watkins to be postmaster at Frackville, Pa., in place of C. W. Seaman. Incumbent's commission expired February 14, 1924.

Calvin E. Cook to be postmaster at Dillsburg, Pa., in place of J. R. McClure. Incumbent's commission expired February 18, 1924.

PORTO RICO.

Gaspar R. Ferran to be postmaster at Barceloneta, Porto Rico, in place of G. R. Ferran. Office became third class October 1, 1923.

L. Castro Gelpi to be postmaster at Vieques, Porto Rico, in place of L. C. Gelpi. Incumbent's commission expired August 21, 1923.

Juan Vissepo Hernandez to be postmaster at San Sebastian, Porto Rico, in place of J. V. Hernandez. Incumbent's commission expired February 4, 1924.

Roque Rodriguez to be postmaster at Ponce, Porto Rico, in place of Roque Rodriguez. Incumbent's commission expired February 4, 1924.

Jose E. Guenard to be postmaster at Mayaguez, Porto Rico, in place of J. E. Guenard. Incumbent's commission expired August 21, 1923.

Nicolas Ortiz Lebron to be postmaster at Aibonito, Porto Rico, in place of N. O. Lebron. Incumbent's commission expired August 21, 1923.

TEXAS.

William H. Littlefield to be postmaster at Anson, Tex., in place of S. W. Lawrence, declined.

Herbert W. Scott to be postmaster at Throckmorton, Tex., in place of H. W. Scott. Incumbent's commission expired January 31, 1924.

VIRGINIA.

James S. Castle to be postmaster at Dungannon, Va., in place of J. S. Castle. Office became third class January 1, 1924.

Ray L. Barlow to be postmaster at Buckner, Va., in place of J. S. Terrell. Office became third class October 1, 1923.

Amos L. Cannaday to be postmaster at Pulaski, Va., in place of J. D. Askew. Incumbent's commission expired September 13, 1922.

Frank H. Forbes to be postmaster at North Tazewell, Va., in place of C. F. Kitts. Incumbent's commission expired August 15, 1923.

Bernard Willing to be postmaster at Irvington, Va., in place of J. W. Haydon. Incumbent's commission expired February 14, 1924.

William T. Oakes to be postmaster at Gladys, Va., in place of R. C. Morgan. Incumbent's commission expired February 14, 1924.

Abraham L. Longerbeam to be postmaster at Bluemont, Va., in place of J. E. Lewis. Incumbent's commission expired February 14, 1924.

WASHINGTON.

Kendall E. Schweitzer to be postmaster at Underwood, Wash., in place of H. S. Adams. Office became third class April 1, 1923.

CONFIRMATIONS.

Executive nominations confirmed by the Senate February 29, 1924.

AMBASSADORS EXTRAORDINARY AND PLENIPOTENTIARY.

Charles Beecher Warren to be ambassador extraordinary and plenipotentiary to Mexico.

William Phillips to be ambassador extraordinary and plenipotentiary to Belgium, and envoy extraordinary and minister plenipotentiary to Luxemburg.

PROMOTIONS IN THE NAVY.

MARINE CORPS.

Ben H. Fuller to be brigadier general.

Macker Babb to be colonel.

To be second lieutenants.

Richard Fagan.	William W. Conway.
James E. Jones.	Clyde Shoesmith.
Theodore A. Holdahl.	Robert J. Mumford.
Ernest E. Shaugnessey.	Paul A. Curtis.
Lewis B. Puller.	Albert D. Cooley.

POSTMASTERS.

IDAHO.

William W. McNair, Middleton.

INDIANA.

Romain C. Campbell, Butler.
Jesse Dowen, Carbon.
Joseph W. Morrow, Charlestown.
LaFayette H. Ribble, Fairmount.
Harry T. Thompson, Lebanon.
William I. Ellison, Winona Lake.

KENTUCKY.

Mattie R. Tichenor, Centertown.
Howard C. Pentecost, Corydon.
Egbert E. Jones, Milton.
Charlie H. Throckmorton, Mount Olivet.
Leonard F. Gibbs, Rockport.

NEW YORK.

John G. McNicoll, Cedarhurst.
John E. Duryea, Farmingdale.
Wallace Thurston, Floral Park.
Clifton S. Haff, Northport.
Fred L. Seager, Randolph.
Elmer Ketcham, Schoharie.
Elsie V. Webb, Union Springs.
Harry A. Jeffords, Whitney Point.
Ruth W. J. Mott, Oswego.

OKLAHOMA.

Charles C. Chapell, Okmulgee.

OREGON.

Jesse E. Hamstreet, Brogan.
William I. Smith, Redmond.

PENNSYLVANIA.

Charles G. Fullerton, Freeport.
Edgar M. Chelgren, Grumpian.
John T. Painter, Greensburg.
Michael A. Grubb, Liverpool.
Ralph L. Snyder, New Tripoli.
William E. Brooks, Ridley Park.
William W. Thorn, St. Clair.
Malcolm H. Shick, Sheffield.

SOUTH CAROLINA.

Ernest E. Brown, Aiken.

TENNESSEE.

Ben M. Roberson, Loudon.

VIRGINIA.

Robert L. Olinger, Blacksburg.

WASHINGTON.

John P. Helphrey, Curlew.
Nellie Tyner, Dishman.
J. Frank Hall, Edwall.

WEST VIRGINIA.

James T. Akers, Bluefield.
Hugh B. Campbell, Northfork.

HOUSE OF REPRESENTATIVES.

FRIDAY, *February 29, 1924.*

The House met at 11 o'clock a. m., and was called to order by the Speaker.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our God, Thou art the eternal source of every joy and every blessing. Thy goodness crowns each succeeding day. We thank Thee that our times are in Thy hands; Thou art with us in every state. Let us look above created things and find peace of soul in our fondest hopes. On we go, blessed Lord, being carried on the stream of time. O stay the tempest, quiet the storm, soften the gale that drives us nearer, nearer home. For Thy name's sake. Amen.

The Journal of the proceedings of yesterday was read and approved.

PERMISSION TO SIT DURING SESSIONS OF THE HOUSE—POST OFFICE COMMITTEE.

Mr. GRIEST. Mr. Speaker, I ask unanimous consent that the Post Office Committee and Subcommittee No. 1 of that committee, having charge of salaries, have leave to sit during the sessions of the House.

Mr. GARRETT of Tennessee. Mr. Speaker, I have no objection, but that is a very unusual way to put such a request. It is a subcommittee of the Post Office Committee, is it not?

Mr. GRIEST. Yes.

Mr. GARRETT of Tennessee. If the committee has permission to sit, of course any subcommittee would have the same right. I suggest that the gentleman ask unanimous consent that the Post Office Committee have leave to sit during the sessions of the House, and that would give the same right to any subcommittee of the Post Office Committee.

Mr. GRIEST. Does the gentleman think that would give a subcommittee permission to sit during the sessions of the House?

Mr. GARRETT of Tennessee. Absolutely.

Mr. GRIEST. Mr. Speaker, I accept the suggestion made by the gentleman from Tennessee.

The SPEAKER. The gentleman from Pennsylvania [Mr. GRIEST] asks unanimous consent that the Post Office Committee have leave to sit during the sessions of the House. Is there objection?

There was no objection.

MESSAGE FROM THE SENATE.

A message from the Senate, by Mr. Craven, its Chief Clerk, announced that the Senate had passed bills of the following titles, in which the concurrence of the House of Representatives was requested:

S. 356. An act for the relief of John H. Walker;

S. 1249. An act for the relief of Rosa E. Plummer;

S. 1894. An act for the relief of the owners of the steamship *Kin-Dave;*

S. 353. An act for the relief of Reuben R. Hunter;

S. 1784. An act to provide for the closing of a portion of Massachusetts Avenue NW. in the District of Columbia, and for other purposes;

S. 1815. An act for the relief of Capt. Murray A. Cobb;

S. 361. An act for the relief of Fred V. Plomteaux;

S. 383. An act for the relief of William R. Bradley;

S. 1353. An act for the relief of Annie McColgan;
S. 1631. An act to authorize the deferring of payments of reclamation charges;
S. 1339. An act to authorize the widening of Georgia Avenue between Fairmont Street and Gresham Place NW.; and
S. 1343. An act to authorize the widening of Fourth Street south of Cedar Street NW. in the District of Columbia, and for other purposes.

The message also announced that the Senate had passed with amendments bills of the following titles, in which the concurrence of the House of Representatives was requested:

H. R. 4121. An act to extend the provisions of certain laws to the Territory of Hawaii.

The message also announced that the Senate had concurred in House concurrent resolution of the following title:

House Concurrent Resolution 14.

Resolved by the House of Representatives (the Senate concurring), That the thanks of Congress be presented to the Hon. Charles E. Hughes for the able and appropriate memorial address delivered by him on the life and services of Warren G. Harding, late President of the United States, in the Representatives' Hall before both Houses of Congress and their invited guests on the 27th day of February, 1924, and that he be requested to furnish a copy for publication.

Resolved further, That the chairman of the joint committee appointed to make arrangements to carry into effect the resolutions of this Congress in relation to the memorial exercises in honor of Warren G. Harding be requested to communicate to Mr. Hughes the foregoing resolution, receive his answer thereto, and present the same to both Houses of Congress.

SENATE BILLS REFERRED.

Under clause 2, Rule XXIV, Senate bills of the following titles were taken from the Speaker's table and referred to their appropriate committees, as indicated below:

S. 353. An act for the relief of Reuben R. Hunter; to the Committee on Claims.
S. 356. An act for the relief of John H. Walker; to the Committee on Claims.
S. 361. An act for the relief of Fred V. Plomteaux; to the Committee on Claims.
S. 1249. An act for the relief of Rosa E. Plummer; to the Committee on Claims.
S. 1339. An act to authorize the widening of Georgia Avenue between Fairmont Street and Gresham Place NW.; to the Committee on the District of Columbia.
S. 1343. An act to authorize the widening of Fourth Street south of Cedar Street NW., in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.
S. 1353. An act for the relief of Annie McColgan; to the Committee on Claims.
S. 1631. An act to authorize the deferring of payments of reclamation charges; to the Committee on Irrigation and Reclamation.
S. 1784. An act to provide for the closing of a portion of Massachusetts Avenue NW., in the District of Columbia, and for other purposes; to the Committee on the District of Columbia.
S. 1815. An act for the relief of Capt. Murray A. Cobb; to the Committee on War Claims.
S. 1894. An act for the relief of the owners of the steamship *Kin-Dave;* to the Committee on Claims.
S. J. Res. 52. Joint resolution for the relief of the drought-stricken farm areas of New Mexico; to the Committee on Agriculture.

REVENUE ACT OF 1924.

Mr. GREEN of Iowa. Mr. Speaker, I move that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6715, the revenue bill.

The SPEAKER. The gentleman from Iowa moves that the House resolve itself into Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6715, the revenue bill. The question is on agreeing to that motion.

The question was taken, and the motion was agreed to.

Thereupon the House resolved itself into Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, with Mr. GRAHAM of Illinois in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 6715, the revenue bill, which the Clerk will report by title.

The Clerk read as follows:

A bill (H. R. 6715) to reduce and equalize taxation, provide revenue, and for other purposes.

Mr. GREEN of Iowa. Mr. Chairman, as I remember, at the time the committee rose last evening there was an amendment pending.

The CHAIRMAN. The amendment offered by the gentleman from Nebraska [Mr. SIMMONS] was pending.

Mr. SIMMONS. Mr. Chairman, I had been recognized last evening. I ask unanimous consent to modify my amendment by striking out all of line 4, on page 208, and that part of the word "employees" in line 5.

The CHAIRMAN. The gentleman from Nebraska asks unanimous consent to modify his amendment, and the Clerk will report the amendment as sought to be modified.

The Clerk read as follows:

Modified amendment offered by Mr. SIMMONS: Page 208, strike out all of line 4 and that part of the word "employees" appearing in line 5.

The CHAIRMAN. Is there objection to the modification?

There was no objection.

The CHAIRMAN. Does the gentleman desire recognition?

Mr. SIMMONS. Yes.

The CHAIRMAN. The gentleman from Nebraska is recognized.

Mr. LONGWORTH. Mr. Chairman, may we have the amendment read as modified?

The CHAIRMAN. The Clerk has just read it, but without objection, it will be again reported.

Mr. LONGWORTH. That was the amendment as modified?

The CHAIRMAN. Yes.

Mr. SIMMONS. Mr. Chairman and gentlemen, it is not necessary to go into any extended discussion of this amendment. The bill as reported by the committee provided that the members of the board of tax appeals should have not to exceed $10 a day for subsistence and that the employees of the board should have not to exceed $7. I take it the committee has found, as a matter of fact, that $7 is sufficient for the subsistence of the employees of this board, and that being true, I also take it that $7 should be sufficient for the subsistence of a member of the board. For that reason I have offered the amendment.

Mr. YOUNG. Will the gentleman yield?

Mr. SIMMONS. Yes, sir; gladly.

Mr. YOUNG. The gentleman will notice that the wording is "not to exceed" certain amounts.

Mr. SIMMONS. Yes, sir.

Mr. YOUNG. These boards will meet in big cities, in some small cities and in some big cities, and in any case they must give an itemized statement of their expenses and that statement will be subject to scrutiny and criticism. But in the big cities I do not suppose the gentleman would expect the members of this board of appeals to stop at the cheapest place in the city, and, as the gentleman knows, rooms in hotels in the large cities are expensive, and it is quite conceivable that their expenses might run up to as much as $10 a day and still their expenses will not be extravagant and the members of the board not live in a way that would be inappropriate.

Mr. SIMMONS. I thought the gentleman intended to ask a question, but in answer to the gentleman's statement I will say that it seems to me the same argument would apply to employees as well as to members of the board.

Mr. YOUNG. Then, perhaps, the amount should be raised for employees instead of the other amount being reduced.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield?

Mr. SIMMONS. Yes, sir; gladly.

Mr. McLAUGHLIN of Michigan. As I understand, the gentleman's amendment strikes out all that relates to expenses.

Mr. SIMMONS. No, sir. The bill provides that the members and employees shall receive "while traveling on duty and away from their designated stations, in an amount not to exceed $10 per day in the case of members, and $7 per day in the case of employees."

Mr. McLAUGHLIN of Michigan. And then you strike that out?

Mr. SIMMONS. No, sir; not at all.

Mr. GREEN of Iowa. Will the gentleman yield?

Mr. SIMMONS. Yes, sir; gladly.

Mr. GREEN of Iowa. While I am not in favor of the gentleman's amendment, I assume it is going to carry or else something less, and if the gentlemen take up a great deal of time on this the final result will be that there will be a less amount. While I think it ought to be more, I think there is

great danger that the members and employees will get less than more.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. SIMMONS. Yes, sir; gladly.

Mr. GARNER of Texas. Mr. Chairman, I think it is the strangest thing of all that the gentleman from Iowa and his colleagues on the Ways and Means Committee have not gotten together and fixed up the matter of the expense allowance to this board and its employees. I understood last night that the matter could be arranged in five minutes, and I assumed from that statement that the gentleman from Iowa would at least interest himself to the point of seeing whether he could not get an agreement as to what these expenses ought to be. Of course, we can take an hour discussing this matter, one that ought to be disposed of in five minutes.

Mr. GREEN of Iowa. I can not control the members of the committee. If they persist in taking up time on trivial matters I can not help it.

The CHAIRMAN. The time of the gentleman from Nebraska has expired.

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is now on the amendment offered by the gentleman from Nebraska [Mr. SIMMONS].

Mr. GARNER of Texas. Mr. Chairman, what is the effect of the gentleman's amendment? Changing the amount from $10 to $7?

Mr. GREEN of Iowa. That is the effect of it.

The CHAIRMAN. If the gentleman desires, the modified amendment will be again reported.

Mr. GARNER of Texas. I would like to have it again reported.

The CHAIRMAN. Without objection, the Clerk will report the amendment again as modified.

The Clerk again read the amendment as modified.

Mr. SIMMONS. Mr. Chairman, the amendment last evening provided for inserting $7 in place of $10.

The CHAIRMAN. The Clerk will again report the amendment.

The Clerk read as follows:

Strike out, in line 3, "$10" and insert "$7," and strike out all of line 4 and that part of the word "employees" appearing in line 5.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Nebraska.

The question was taken; and on a division (demanded by Mr. SIMMONS) there were—ayes 60, noes 47.

So the amendment was agreed to.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent to return to page 100, where the Moore amendment was adopted with reference to publicity matters, in order that I may move an amendment to it correcting the verbiage and not changing the sense of it at all. I submitted the matter to Mr. MOORE the other day.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent to return to page 100 to offer a perfecting amendment. Is there objection?

Mr. GARNER of Texas. Mr. Chairman, I understand the gentleman says he has submitted the proposed amendment to the gentleman from Virginia, and it is entirely agreeable to him.

Mr. GREEN of Iowa. That is my understanding.

Mr. GARNER of Texas. I do not want any understanding about it. I want an affirmative statement about a matter of that kind.

Mr. MOORE of Virginia. Mr. Chairman, these are the facts: I offered an amendment, and there was an amendment thereto offered by Mr. TILSON, of Connecticut. Mr. TILSON'S amendment was in the language proposed by another Member and did not accurately designate the committees.

Mr. GREEN of Iowa. Mr. Chairman, I will withdraw the request for the present. I would like to have the gentleman look it over and see if he can not accept it.

Mr. MOORE of Virginia. It will only take a moment to explain. The two committees were not properly designated. Now, that was all, and what is proposed by the gentleman from Iowa will properly designate the committees. There can not be any objection to it.

Mr. CHINDBLOM. Is there any change in the substance?

Mr. GREEN of Iowa. No change in the substance at all.

The CHAIRMAN. Is there objection? [After a pause.] The Chair hears none, and the Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa to the amendment of Mr. MOORE of Virginia:

"On page 100, strike out the "Ways and Means Committee of the House and the Finance Committee of the Senate" and insert in lieu thereof the following: "The Committee on Ways and Means of the House of Representatives, the Committee on Finance of the Senate," and after the word "provided," in line 13, insert "further."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Iowa.

The question was taken, and the amendment was agreed to.

Mr. CROSSER. Mr. Chairman——

The CHAIRMAN. For what purpose does the gentleman rise?

Mr. CROSSER. I want to offer, Mr. Chairman, an amendment at the end of this title.

The CHAIRMAN. The gentleman from Ohio offers an amendment, which the Clerk will report.

Mr. CROSSER. I have not the amendment prepared, but I see that I must offer it here if I offer it at all. I offer an amendment as follows:

Page 208, after line 12, after the word "taxes," insert "when the board and its employees provided for in Title IX shall have been installed, any other board and its employees heretofore performing the same service shall be dispensed with."

Mr. CHINDBLOM. Mr. Chairman, I make the point of order that that is too late.

The CHAIRMAN. Let the Clerk first report the amendment. Has the gentleman his amendment in writing?

Mr. CROSSER. No; I have not quite finished it.

The CHAIRMAN. For the purpose of having the Clerk report the amendment the gentleman had better have it in writing.

Mr. CHINDBLOM. Mr. Chairman, I withdraw the point of order.

The Clerk read as follows:

Amendment offered by Mr. CROSSER: Page 208, after line 12, after the word "taxes," insert: "When the board and its employees provided for in Title IX shall have been installed, any other board and its employees heretofore performing the same service shall be dispensed with."

Mr. CHINDBLOM. Will the gentleman yield for a suggestion?

Mr. CROSSER. Yes.

Mr. CHINDBLOM. If you say "any board or committee heretofore performing the same service"——

Mr. CROSSER. That is exactly the object of the amendment.

Mr. GREEN of Iowa. This will simply throw everything into chaos down in the Treasury Department.

Mr. CROSSER. I want to address the committee for a couple of minutes on the subject.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. CHINDBLOM. I will say to the gentleman that the committee on appeals and review will be dispensed with, because this board would take its place, but they do not want to throw the employees out of the department.

Mr. CROSSER. I do not want to claim too much for an amendment which has been hastily drawn, but I do want to call the attention of the committee to this proposition. As the gentlemen who are supporting this board of appeals know, I gave my support not only to the board but opposed such amendments as would have interfered with adequate payment for the services of this board, because I think that it is highly essential and a very desirable feature of this bill. I think the public should have some independent body to which it can go for a review and for redress of its grievances, if necessary, but my experience with these departments is that, unless there is some specific provision directing the abolition of any preexisting boards or commissions or employees, we will find that they will continue in existence in addition to the new board of appeals which we have properly provided for. I do not want to leave that to the discretion of any department, and I am sure that if we do leave it to their discretion what will happen will be that we will simply have so many more unnecessary employees.

Mr. YOUNG. Will the gentleman yield?

Mr. CROSSER. Yes.

Mr. YOUNG. I am inclined to think we can trust the Treasury Department not to duplicate the service, and I notice that this amendment is subject to some other objections.

Mr. CROSSER. The amendment was hurriedly drawn, I will say to the gentleman.

Mr. YOUNG. The amendment provides that you are going to dispense with all of the employees of any similar board in the past. I want to suggest that those clerks migh be used in some other capacity, but you provide that the department must dispense with their services.

Mr. CROSSER. The gentleman will recognize the necessity for some legislation in regard to this matter. If we do not incorporate such a provision, we shall have two boards continuing, perhaps not in conflict with each other, but drawing salaries and unnecessarily increasing the pay roll. As I have already said, yesterday I voted for adequate pay for the members of the board, and for a sufficient number on the board. I do not want to curtail it in any way whatever, but I do not want to leave with the department the power of continuing on the pay roll a lot of previously existing boards or commissions, or unnecessary employees, which the committee yesterday assured us were to be superseded by the board of appeals.

Mr. GREEN of Iowa. Mr. Chairman, if the gentleman's amendment had any effect at all, and I do not think it would have, it would simply throw the Treasury Department into chaos, and would prevent the Treasury from assigning the work and dividing it as it ought to be.

Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

Mr. CROSSER. Will the gentleman yield for a question?

Mr. GREEN of Iowa. No; we can not spend time on propositions of this sort.

Mr. CROSSER. I wanted to ask a question; that is all.

Mr. GREEN of Iowa. Well, what is it you wanted to ask?

Mr. CROSSER. Does the gentleman desire that any boards now existing for the performance of the work that this board of appeals is intended to perform shall continue in existence?

Mr. GREEN of Iowa. The gentleman knows that these claims have got to be heard in the department, or he ought to know that the claims ought to be heard in the department.

Mr. CROSSER. Quite so.

Mr. GREEN of Iowa. And if what you want is really carried into effect, they would not get any hearing in the Treasury at all.

Mr. CROSSER. The gentleman will admit that this board of appeals was represented yesterday as a substitute for what we now have, was it not?

Mr. GREEN of Iowa. No.

Mr. CROSSER. Now, a word as to the bill in general. An examination of the so-called Mellon tax plan should satisfy anyone that its object is to benefit the few who have great incomes, rather than the millions of American people. If, however, there were any doubt about the correctness of this statement, the methods used to force Congress to adopt the so-called Mellon plan would remove that doubt. Great amounts of money have been spent for advertising which has urged the Mellon plan. On the screens of every moving-picture house in the country we have seen the propaganda for the Mellon plan, and to every Member of Congress have come thousands of letters almost in the same language, often in exactly the same language, and without doubt sent at the demand of propaganda headquarters. People have not been merely requested to write to their Congressmen saying that the writers have carefully considered the Mellon bill—containing 242 pages—and that they urge Congress to pass it, but the arrogant propagandists have attempted to force their employees to write such letters to their Members of Congress.

To show the methods used by those who are determined to force Congress to pass the so-called Mellon plan I quote the following from a letter written to the employees of the Aeolian Co. of New York:

To all Aeolian employees:

It is of the utmost importance and a matter of vital interest to all of us that the program of tax revision, commonly called the Mellon plan, be passed at the present session of Congress.

It is also vitally important that the so-called bonus bill should not be passed. * * *

I am asking that you write at once to the two Senators representing New York State at Washington, as well as the Representative of your voting district, that you, as one of their constituents, desire them, as representing you, to vote for the Mellon bill without changes and to vote against any kind of a bonus bill.

Write your letter for the Representative of your district and send it to Miss Reilly, executive offices, Forty-second Street, and she will forward it to the Evening Mail, who will be glad to fill in the name of the proper Representative, provided you give your voting address at the bottom of the letter.

The two Senators are JAMES W. WADSWORTH, Jr., and Dr. ROYAL S. COPELAND.

Address the Senators in care of the United States Senate at Washington and your Representative in care of the House of Representatives, Washington; addressing each one as "Honorable."

We shall check up our pay roll within the next couple of weeks to find out those who have written and those who have not.

Sincerely yours,

W. V. SWORDS.

The following is the form of a letter which one of the big trust companies of New York sent to its stockholders and employees for the purpose of having such stockholders and employees sign the statement and send it to the Congress of the United States:

DECEMBER —, 1923.

To the Congress of the United States:

I respectfully request and urge Congress to take a persistent and aggressive stand for lower Federal taxes and to support a tax-reduction plan substantially along the lines recommended in letters dated November 10 and December 17, 1923, from the Hon. Andrew W. Mellon, Secretary of the Treasury of the United States, to the Hon. WILLIAM R. GREEN, acting chairman Committee on Ways and Means of the House of Representatives; and to refrain from voting in favor of any legislation which will interfere with the carrying out of such tax-reduction plan.

(Name)_____

(Address)_____

These two instances are sufficient to illustrate the tactics used by the powerful interests of the United States to force through Congress a tax bill which suits them. Let us see why these gentlemen are so fond of the Mellon plan and so opposed to the so-called Garner plan for raising revenue. The Garner plan proposes to take 44 per cent of all incomes above $92,000 a year for the purpose of paying the expenses of the Government. The Mellon plan proposes to take from big incomes only 25 per cent of the amount of such incomes which are over $100,000 a year. The Garner plan proposes to reduce the tax rate on the smallest incomes paying a tax to 2 per cent, while the Mellon plan proposes a rate on the same incomes 50 per cent higher.

Now, of course, everyone is in favor of lower taxes, but everyone also knows that the Government must have sufficient money to meet its needs. The question is, therefore: Is it more just and more wise to increase the tax burden on the persons receiving ordinary incomes, or should we not tax those with very large incomes at a higher rate than we tax people with smaller incomes?

Those who argue against taking the 44 per cent of all above $92,000 of the big incomes have a hard time finding an excuse for being against the taking of the 44 per cent of such big incomes. They have a hard time trying to make it appear right that the Government should get a large amount of the money needed to pay its expenses by taking off almost half of the tax on incomes above $92,000 and then to get the money it needs by increasing the tax on ordinary incomes.

They realized, however, that they must give the people and Congress some kind of an excuse, and so they tell us that they want to help business.

Now, Mr. Chairman, will those who want to take the tax off great incomes and put it on the shoulders of the people with smaller incomes tell us how money left in the pockets of men with incomes of more than $92,000 a year will help prosperity more than money saved to the people who pay taxes on ordinary incomes?

The welfare of the country depends just as much on the success and prosperity of the smaller business and smaller manufacturer as upon the success of the great money powers. We hear men at one moment denounce and howl about the injustice and tyranny of trusts and monopolies and then in almost the next minute tell us that we must take about one-half the tax from big incomes, the incomes from the huge businesses, and put the tax on the incomes from small business and of small manufacturers.

The statements of Secretary Mellon in support of this unsound policy have been severely condemned by men of all parties. Hon. JAMES COUZENS, the Republican Senator from Michigan, said in the Senate on January 21, 1924:

More dishonest statements, misstatements, if not absolute falsehoods, have been handed out at the Treasury Department of the United States for the purpose of misleading the public than ever were issued by a public department in my recollection of government.

Ah, my friends, the real position of those who argue that it is proper for the Government to cut down by almost a half the

tax on big incomes, on incomes in excess of $92,000, and instead get the money by taxing more the people with smaller incomes, the real feeling of most men who want such a plan is that if we increase the wealth of those financially powerful, those at the top of the economic structure, enough will dribble down from them to help out those lower down. This is a dangerous doctrine. It implies the argument that if the powerful in society are given control of the country's resources they will be very kind and dole out enough to take care of all the rest. I maintain, Mr. Chairman, that the only way the healthy growth of civilization can be promoted is by assuring, as fully as possible, the success and prosperity of all the people as a result of their honest efforts, unhampered and uncontrolled by industrial or financial overlords.

But they pleadingly assure us that they, too, are anxious to be fair to the people and that the Mellon plan will not be unjust to them. Let us see. According to the latest published statistics of the Treasury Department, there are 6,650,695 income taxpayers in the United States, 9,433 of whom are in the State of Ohio. Now, the undisputed fact is that only 539 of these Ohio income taxpayers would benefit more under the Mellon plan of so-called tax reduction than they would benefit under the Garner tax-reduction plan. On the other hand, 366,557 would benefit more under the Garner tax plan, and only 539 in the whole State would benefit less under the Garner plan than under the Mellon plan. During the war thousands of new millionaires were added to those in the United States prior to the war. The present debt of the Government resulted largely from the war. Is it then unjust that the fabulous incomes of the country should bear a greater proportion of the expense of the Government than the smaller incomes?

I am not one of those who believe that even the taxing of these great incomes according to either the Mellon plan or the Garner plan will be any fundamental remedy for the distribution of wealth so unjustly as is now the case. I would adopt a system of taxation that would prevent the accumulation on the one hand of gigantic amounts of wealth by the few without their giving for it service equal in value, and, on the other hand, make it unnecessary for the many millions of people to struggle from morn till night for merely enough to enable them to exist.

But until the people and their representatives are ready to prevent by a sane method such an unjust distribution of the bounties of nature, I shall support, as now, such method of taxation as will put in the Public Treasury a reasonable amount of the wealth unjustly acquired by the very few. [Cries of "Vote!" "Vote!"]

The CHAIRMAN. The gentleman from Iowa moves that all debate on this amendment and all amendments thereto do now close.

The question was taken, and the motion was agreed to.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio [Mr. CROSSER].

The question was taken; and on a division (demanded by Mr. GREEN of Iowa) there were 17 ayes and 77 noes.

So the amendment was rejected.

The Clerk read as follows:

RULES AND REGULATIONS.

SEC. 1001. The commissioner, with the approval of the Secretary, is authorized to prescribe all needful rules and regulations for the enforcement of this act.

Mr. DEAL. Mr. Chairman, I move to strike out the last word.

Mr. Chairman, this section provides a blanket grant of power to the executive branch of our Government to make such rules and regulations as it may deem necessary for the enforcement of the proposed law. There are no checks, no reviews, no revisions. The Supreme Court has rendered some decisions that would indicate that Congress has the right to delegate the power of making rules and regulations, but there should be some limit as to the extent of those rules and regulations. We all know that when we give to a department the right to make a rule, or give them an inch they will take an ell, and they soon walk over into the realm of lawmaking.

The Internal Revenue Department has already written a code of laws for regulating the taxpayer in the matter of returns, and they assess him arbitrarily, frequently unjustly; he has no redress except through the courts. The gentleman from Georgia [Mr. LARSEN] a few days ago gave us an instance of a taxpayer who had been arbitrarily assessed, unjustly assessed, and in order to save the payment of the excess tax he was forced to sign a waiver. The waiver carried him over the period in which the law limited the examination of his books, likewise the date for appeal, and the department then pleaded the statute of limitations, so that he could not go into the court and obtain redress. The gentleman from Illinois [Mr. CHINDBLOM] stated that the Internal Revenue Department had arbitrarily—I think that is the substance of it—assessed income in cases of a man's return in excess of that which was just and right in order to force the taxpayer to come forward and sign a waiver.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. DEAL. Yes.

Mr. CHINDBLOM. At the time they made the assessment they intended that it should be just.

Mr. DEAL. Yes; but they took all the advantage and gave the taxpayer none. The last Congress had to make an appropriation of about $105,000,000, I think it was.

Mr. CHINDBLOM. Will the gentleman yield for a further suggestion?

Mr. DEAL. Yes.

Mr. CHINDBLOM. This practice will be stopped definitely and effectively by this board of tax appeals. The arbitrary assessments will be stopped.

Mr. HUDSPETH. What assurance has the gentleman of that?

Mr. DEAL. The last Congress appropriated $105,000,000 for the repayment of taxes unjustly taken from the taxpayer. If there were $105,000,000 taken from the taxpayers of this country unjustly which was detected by the taxpayers themselves, Heaven only knows how much was taken from them that was not detected and unjustly paid by the taxpayers and now enjoyed by the Government. There are no means of determining this amount. It may be fairly assumed that it would run into the hundreds of millions of dollars.

Not only that, but the taxpayer when assessed arbitrarily in a sum greater than he believes that he owes the Government is forced to secure the services of an attorney or a certified accountant, bear the expense of coming to Washington and looking into his accounts, and my judgment is that it has cost the taxpayers of this country over half a billion dollars in fees to certified accountants to aid them in reducing their taxation.

The CHAIRMAN. The time of the gentleman from Virginia has expired.

Mr. DEAL. I ask for five minutes more.

The CHAIRMAN. The gentleman from Virginia asks that his time be extended five minutes. Is there objection?

Mr. GREEN of Iowa. Mr. Chairman, I shall be compelled to object; my friend can extend his remarks in the RECORD.

Mr. DEAL. Oh, yes; I have sat here for two weeks and have not opened my lips and now that I want to make some remarks on this iniquitous proposition that you have before Congress you want to shut me off.

Mr. GREEN of Iowa. The gentleman has waited until the last minute before he has seen fit to say anything; but, Mr. Chairman, I withdraw my objection.

Mr. DEAL. This is section 1001, in the latter part of the bill. It is the principal objection that I have to the whole measure, the one thing that the taxpayers of my district, and all other districts from which I have heard, complain mostly of in the bill. These regulations of the Internal Revenue Department have the force of law and subject the taxpayer to a prison penalty if he violates them. It is nothing more or less than law. I believe Congress should write the law and not leave it to the Internal Revenue Department. It would be idle to say that Congress has not the power and ability to do it; it can do it. The great Ways and Means Committee is capable of writing the law as well as the Internal Revenue Department, and they should write it and protect the taxpayer by letting him know what the law is. These regulations are binding on the taxpayer and not upon the revenue department. It can change the rules from year to year, month to month, week to week, and every morning before breakfast if they feel like doing it. The taxpayer has no redress and they never know what the law is. As an evidence of the arbitrariness of the department, Mr. McCarl issued a ruling that the workmen's compensation should be held up and not paid; that it is wrong. The law says that they shall be paid a certain compensation at certain times, but the department handling this measure is forced to cease payment of the workmen's compensation to-day because of the arbitrary ruling of Mr. McCarl, which he says supersedes the advice and opinion of the Attorney General, and even the President himself. The same is true of the Navy Department. Some of our young men have been denied the right of compensation for dependents, and not only have they been denied this right but they have been forced to make restitution of amounts already paid, going back some two or three

years. I have a case in which men have been required to make refunds through a period of two and a half years on account of this ruling of Mr. McCarl.

The Internal Revenue Department does not seem to have any regard for the taxpayer at all, nor does it seem that Congress has any regard either. We are continually talking about justice here. I have seen men walk up and down this Hall like caged lions demanding justice. Analyzed, it means that they want to place the tax on the other fellow. It seems to me that in the matter of taxes the justice demanded consists in an effort to have certain interests exempted from taxation. We can not all be exempted from taxation. The Government must have revenue, but while we are being taxed we ought to have some regard for the taxpayers who have to make out their returns, and not force them to the expense of a certified accountant and exorbitant expense in the matter of their tax returns.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. DEAL. Yes.

Mr. CHINDBLOM. Of course, the gentleman knows that the Comptroller General is not a part of the Treasury Department.

Mr. DEAL. I am merely citing that to show——

Mr. CHINDBLOM. He is superior to everybody else.

Mr. DEAL. It seems that he is superior even to the President.

Mr. CHINDBLOM. Not only in fact, but in conduct he is superior to everybody else.

Mr. McSWAIN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McSWAIN: Page 208, line 23, strike out the period, insert a comma and the following: "provided such regulations shall not enlarge or modify any of the provisions of this act and of any other law, and all such rules and regulations and all amendments thereto shall be annually reported to Congress."

Mr. GREEN of Iowa. Mr. Chairman, personally I have no objection to the amendment and am willing to accept it.

The CHAIRMAN. The question is on the amendment offered by the gentleman from South Carolina.

The amendment was agreed to.

The Clerk read as follows:

SEC. 1002. (a) Every person liable to any tax imposed by this act, or for the collection thereof, shall keep such records, render under oath such statements, make such returns, and comply with such rules and regulations, as the commissioner, with the approval of the Secretary, may from time to time prescribe.

Mr. DEAL. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. DEAL: Page 209, lines 3 and 4, strike out the words "keep such records."

Mr. DEAL. Mr. Chairman, my purpose in offering this amendment is to protect the small operator or business man. I do not think that the Internal Revenue Department or the commissioner would really require every man to keep a set of books, but it gives him the power, and, in carrying out the same idea I heretofore presented, I assume that he may exercise that power. I want to protect the small business man from being required to keep a set of red tape books in accordance with the requirements of the commissioner.

Mr. GREEN of Iowa. Mr. Chairman, will the gentleman yield?

Mr. DEAL. In just a moment. The larger business firms, of course, keep their books and it is no trouble for them to keep them in such a manner as to suit the commissioner, but it would be a great hardship to many of the small business men of this country to have to keep books in accordance with the requirements of the commissioner. I yield to the gentleman from Iowa.

Mr. GREEN of Iowa. Is the gentleman aware that this has been in the law for years?

Mr. DEAL. I am not concerned with precedents. I say to the gentleman from Iowa that I am not a lawyer, and not being a lawyer, precedent has no great weight with me. If it has been the law and if it is wrong, we ought to correct it now.

Mr. GREEN of Iowa. Is the gentleman aware that this would enable every person who is disposed to do so to cheat the Government out of the tax—that is, any man who carries on a business of any kind.

Mr. DEAL. The gentleman is assuming that every taxpayer is disposed to defraud the Government.

Mr. GREEN of Iowa. I am not, but I know that a large number are.

Mr. DEAL. American and English jurisprudence since the days of Magna Charta assumes that every man is innocent of crime until he is proven guilty, and the burden of proof rests upon the Government. In this law the situation is reversed, and every man is assumed to be guilty and the burden rests upon him to prove his innocence. I want to protect the citizen.

Mr. GREEN of Iowa. Mr. Chairman, this is a very important matter, and I hope I may have the attention of the committee for a few minutes. If this amendment were adopted, it would cost the Government anywhere from fifty to a hundred million dollars in taxes that ought to be paid. This provision has been in the law for years, and it has not hurt any honest man, nor has it made any extra expense or trouble.

Mr. DEAL. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. I want just a minute. Does the gentleman claim that anybody has been hurt by this provision? He has not claimed it.

Mr. DEAL. I do not claim that they have been hurt, but I claimed that they had been placed at great inconvenience and expense unnecessarily.

Mr. GREEN of Iowa. No one has been placed to any inconvenience and expense. There is a certain class of people, mostly foreigners, who, if this provision were left out, would not pay any taxes at all. There are some of them now trying to avoid keeping any books, and they are not keeping any bank accounts. What they want is to beat the Government out of all taxes.

Mr. Chairman, I move that all debate upon this paragraph and all amendments thereto now close.

The CHAIRMAN. The gentleman from Iowa moves that all debate on this amendment and all amendments thereto be now closed. The question is on agreeing to that motion.

The motion was agreed to.

The CHAIRMAN. The question now is on agreeing to the amendment offered by the gentleman from Virginia [Mr. DEAL].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

EXAMINATION OF BOOKS AND WITNESSES.

SEC. 1004. The commissioner, for the purpose of ascertaining the correctness of any return or for the purpose of making a return where none has been made, is hereby authorized, by any revenue agent or inspector designated by him for that purpose, to examine any books, papers, records, or memoranda bearing upon the matters required to be included in the return, and may require the attendance of the person rendering the return or of any officer or employee of such person, or the attendance of any other person having knowledge in the premises, and may take his testimony with reference to the matter required by law to be included in such return, with power to administer oaths to such person or persons.

Mr. DEAL. Mr. Chairman, I move to strike out the entire paragraph.

The CHAIRMAN. The gentleman from Virginia [Mr. DEAL] offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. DEAL: Page 211, beginning with line 10, strike out the paragraph 1004.

Mr. DEAL. Mr. Chairman, the fourth amendment to the Constitution is one amendment which the Supreme Court has not declared unconstitutional. The fourth amendment provides that the right of the citizens to be free from unreasonable searches and seizures of their persons, houses, papers, and effects shall not be violated, and no warrant shall lie except upon probable cause, stating the place, persons, or things to be searched and seized and described and their location. This section gives the Commissioner of Internal Revenue the right to send his agents, detectives, and spies into the home of every American citizen and search his papers, his books, and his private correspondence to seek a cause or probability of fraud. Now, the citizen is presumed to be innocent until proved to be guilty, and the burden of proof rests upon the Government, and I contend that we should not delegate any such power as this. It is clearly unconstitutional. We have no right to do it, and in doing so we are simply placing a citizen at the mercy of the Commissioner of Internal Revenue to do as he pleases, with no defense, no opportunity on the part of the citizen to defend or protect himself in any manner whatsoever. I submit that Congress would be exceeding its power should it pass any such legislation as this. [Applause.] All governments are supposed to exist by consent of the governed; especially is this true with ours. It is not intended as a means of persecution

and oppression, but to afford the greatest amount of peace, happiness, and prosperity. Section 1004 is the antithesis of it all and clearly unconstitutional. It is in keeping, however, with the policy being pursued by the prohibition department, which is, of course, sufficient warrant for any violation of the statute or constitutional law.

Mr. TREADWAY. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, if some of us are not too loquacious—probably I am one of them—we expect to get final votes upon this bill to-day.

Reaching to that point, I can not refrain from expressing a few personal views, in no wise representing anybody but myself, and it may be a poor representation at that. I have always been a pretty strict party man, and I never have been very much disposed to compromising, either with my pride or with people with whom I do not agree. This House started in December to compromise, and we have been at it ever since, and we will be at it to-night when we vote for this bill. I would rather, a great deal rather, go down to defeat with the Mellon rates in this bill, with the rates as they were originally framed, than go on to victory by a compromise with insurgent Republicans or the Democrats.

However, our party leader on the floor seems to think that a better program is to compromise, and if that program is wanted we shall have to go through with it. Sometimes, they say, you have to hold your nose and do a thing that you do not like, and that is the position in which I find myself to-day. [Laughter.] I confess that 37½ per cent is better than 44, but it is not enough better to take the stench away from the 37½ per cent. I am for the surtax rate of 25 per cent as reported by 11 Republican members of the Committee on Ways and Means, and I am not for any compromise of those rates. [Applause.] We want to go to the country with a tax reduction. Perhaps we will, if we write in it 37½ per cent, but we will not go with any real tax revision. It seems we can get a vote here only by showing a reduction of 25 per cent as proposed by Mr. LONGWORTH from the present surtax rates. We will have to be satisfied with that. In other words, over 200 Republicans have to be ruled by about 20. I do not like it, and I resent it. [Applause.]

Mr. TINCHER. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. No. The gentleman can get his own time and speak in it.

I do not like it. I hate like thunder to vote for it. We have been led by a few members of our party, with whom I do not agree, for some time. It is poor leadership, and I kick against it like the deuce. [Applause.]

Mr. NEWTON of Minnesota. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. No. The gentleman can speak his own piece. I must get this out of my system before I can vote for it. Thirty-seven and one-half per cent is proposed because certain men want to compromise all the time with 20 men, and lose every time it is done.

Mr. NEWTON of Minnesota. Does not the gentleman expect to get a chance to vote for 25?

Mr. TREADWAY. Yes; and I want to continue to vote for it, and I do not want to compromise.

That is about all I have to say, gentlemen. That tells the plain facts of the case. Let us face them to-day. A majority of the Republican Members of this House ought to write into this bill the rates as suggested by the administration—call them the Mellon rates, or the Ways and Means rates, or the Republican rates, as you please; call them what you have a mind to. It is a bill on which we ought to go through to the end. [Applause.]

Mr. CROWTHER. Mr. Chairman, will the gentleman yield?

Mr. TREADWAY. Yes.

Mr. CROWTHER. The gentleman knows that I am as anxious to vote for 25 per cent as he is, but is it not a recognized fact that the best legislation that is ever enacted is finally a matter of compromise and arbitration? [Applause.]

Mr. TREADWAY. No; although we very often have to compromise to get anything, and that looks like the situation now. But I deny that it is the best legislation; it is not the best way to legislate; and it is a long way from being the best legislation. However, it is the best we can get, and that is all I can say for it.

Mr. CROWTHER. Will the gentleman yield further?

Mr. TREADWAY. No.

Mr. GREEN of Iowa. Mr. Chairman——

Mr. TREADWAY. Mr. Chairman, has my time expired?

The CHAIRMAN. No.

Mr. TREADWAY. Well, I will not say more than to repeat the thought I have already expressed to the committee, and I will let it go at that. We are again about to be obliged to accept a compromise practically dictated by the insurgent Republicans and one very near their original program. I regret to see the power they have exercised to spoil a good bill. [Applause.]

Mr. GREEN of Iowa. Mr. Chairman, I move that all debate on this amendment and all amendments thereto do now close.

The motion was agreed to.

The CHAIRMAN. The question is now on the amendment offered by the gentleman from Virginia [Mr. DEAL].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 3228. All claims for the refunding or crediting of any internal-revenue tax alleged to have been erroneously or illegally assessed or collected, or of any penalty alleged to have been collected without authority, or of any sum alleged to have been excessive or in any manner wrongfully collected must, except as provided in section 281 of the revenue act of 1924, be presented to the Commissioner of Internal Revenue within four years next after the payment of such tax, penalty, or sum.

(b) This section shall not bar from allowance a claim for credit or refund filed prior to the enactment of this act which but for such enactment would have been allowable.

Mr. CRISP. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Georgia offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. CRISP: On page 217, after the end of line 12, insert as a new subsection to be known as paragraph (c) the following:

"That when any taxpayer makes a fair, honest, and correct return as to the taxes due by him to the United States under its internal revenue laws, and the Commissioner of Internal Revenue or any other official of the United States authorized to act in such cases determines that there is a deficiency in respect to the tax due the United States on said return and assesses and levies an additional tax against the taxpayer to the amount of the determined alleged deficiency, and the taxpayer objects to and caveats the right of the Government to assess additional taxes against him and appeals from the determination and decision of the Internal Revenue Bureau in assessing such additional tax; if, upon the hearing and review upon the caveat or appeal, the taxpayer sustains his contention and his original returns are found to be just, fair, and correct, or if he has paid more taxes than due by him, then the Government of the United States shall reimburse the taxpayer his reasonable costs expended in having his appeal reviewed and prosecuted before the proper authorities of the United States in such cases made and provided, the amount of cost to be allowed under this provision to be determined by the Commissioner of Internal Revenue subject to a review by the Court of Claims."

Mr. CRISP. Mr. Chairman, I ask unanimous consent that I may proceed for 10 minutes.

Mr. GREEN of Iowa. Mr. Chairman, I reserve a point of order.

Mr. CRISP. If a point of order is to be made, I would like to hear it, because I do not care to make a speech unless there is some chance of getting the amendment adopted. I would like to hear the point of order, for I do not believe one can be successfully made against the amendment.

Mr. GREEN of Iowa. I think I would rather submit the matter to a vote and not make a point of order. Mr. Chairman, I withdraw the reservation.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that he may proceed on his amendment for 10 minutes. Is there objection?

There was no objection.

The CHAIRMAN. The gentleman from Georgia is recognized for 10 minutes.

Mr. CRISP. Mr. Chairman and gentlemen of the committee, I have offered this amendment in the utmost good faith, believing it is sound, equitable, and just. I believe in a progressive income tax, but there is great opposition to that tax, and I believe the greatest objection to it is because of its administration and because of the annoyance, the expense, and the inconvenience to the taxpayers in making out their returns, and the injustice done to them, unwittingly, I grant you, but still there are great hardships inflicted upon the taxpayers.

Now, gentlemen, the policy of the Treasury Department is that when they review tax returns they levy and assess an additional tax against the taxpayer, and the policy has been that agents from the Treasury Department would go out and

examine the books of some corporation or business house. They would stay there for weeks, examine the books of the corporation, and when they would finish their examination they would leave without saying anything to those in charge of the business. They would not consult the officers of a corporation or of an individual taxpayer; if they had done so, many of the items that the revenue agents were claiming were unjustly deducted as expenses would have been explained away. But their policy was to leave, and after they were gone for months and possibly a year they would notify the taxpayer that he owed so many hundreds or thousands of dollars additional tax.

Now, I believe the agents of the Government should extend every courtesy and helpful assistance possible to the taxpayer, so as to made the administration of the law as little burdensome as possible, and in that way create as favorable an impression as possible on the taxpayer. It is their duty to do what they can to popularize the law.

Now, I am told by Mr. Mellon's assistant, Mr. Gregg—and I want to join with the others in paying tribute to his ability and his splendid personality—that since I offered this matter before the Ways and Means Committee the Treasury Department has changed its regulations to the extent that when a revenue agent now assesses an additional tax against the taxpayer he must notify the taxpayer of the additional claim and give the taxpayer an opportunity to be heard before the final assessment is made final.

That is an improvement, and I am glad of it, but, gentlemen, it seems to me that when a taxpayer has made an honest, just, and fair return and additional taxes are assessed against him he should have the right to protect his rights as to that additional levy, and if on a rehearing he sustains his contention and shows that his original return was honest and correct that he should not be mulcted in damages by having to pay attorneys' fees, auditors' fees, traveling fees, and other expenses which are absolutely necessary in order that he may protect his rights before the Treasury Department.

Mr. McLAUGHLIN of Michigan. Will the gentleman yield a moment?

Mr. CRISP. I yield.

Mr. McLAUGHLIN of Michigan. The gentleman says "when it has been determined"—by whom? By this new board we have created, by the circuit court, by the Supreme Court of the United States, or by whom?

Mr. CRISP. The amendment reads by the Commissioner of Internal Revenue or other duly constituted authority of the Bureau of Internal Revenue who has power to assess additional taxes. This board of appeals has not that power. They are a board to pass upon whether or not this additional assessment was just and correct.

Mr. CHINDBLOM. The gentleman, as I understand it, refers to a judicial review, and not to a review within the department.

Mr. CRISP. Yes; my amendment, I think, is clear; but if it is not, I would be glad to have amendments perfecting it. I think the amendment is clear to this extent, that when a duly authorized agent of the Treasury Department assesses additional taxes against the taxpayer, if upon review before the commissioner, under the present law, or, if this bill is adopted, before the board of tax appeals, he sustains his original returns and establishes that they were honest and correct, then he shall be reimbursed his reasonable cost in prosecuting that appeal.

Mr. KEARNS. Will the gentleman yield for a question there?

Mr. CRISP. Yes.

Mr. KEARNS. Does the gentleman think his amendment is broad enough to include attorneys' fees?

Mr. CRISP. I was just coming to that, I will say to my friend from Ohio.

Mr. KEARNS. I did not think the language was broad enough to cover that.

Mr. CRISP. I was coming to that. When I first introduced a bill, which I urged before the Committee on Ways and Means, I had a second clause in it providing that attorneys' fees, auditors' fees, hotel bills, and transportation charges should be prima facie reasonable cost provided for in the bill. The Committee on Ways and Means submitted the proposition to the Secretary of the Treasury, and the Secretary of the Treasury was not favorable to it, in that he said that the second provision, providing for reasonable cost, embraced every kind of imaginable cost, and it might be that the taxpayer would make contingent-fee contracts, and large ones; and that it was not reciprocal, in that if the taxpayer won he was to be reimbursed all the costs, whereas if the Government won, the Government would not be reimbursed its costs out of the taxpayer.

Mr. YOUNG. Will the gentleman yield?

Mr. CRISP. I must decline to yield for the present unless I get more time.

Mr. YOUNG. I think the gentleman ought to have more time.

Mr. CRISP. Gentlemen, I do not believe the amendment will work any hardship on the Government, because the Government already has its attorneys and its employees paid on salaries. I admit there might be some force in the criticism of the Secretary that it might lead to unreasonable, unfair, and exorbitant cost charges as the bill was originally drafted, so that in the amendment as offered I have protected that. I have cured that and have fixed it so that there will be no unjust hardship on the Government, because the amendment as offered provides that if the taxpayer sustains his returns, then he is entitled to reasonable cost, the reasonable cost to be primarily assessed and fixed by the Commissioner of Internal Revenue, subject to a review by the Court of Claims. If this amendment becomes a law, I have no doubt that in ninety-nine cases out of one hundred whatever reasonable cost is allowed by the Commissioner of Internal Revenue will be accepted by the taxpayer. However, I did not care to put the taxpayer's rights absolutely, so far as this was concerned, in the power of the Commissioner of Internal Revenue, so I added a provision that the action of the Commissioner of Internal Revenue in assessing the attorneys' fees was subject to a review by the Court of Claims. Gentlemen, I do not believe there can be any injury wrought by this amendment. I think it will have the beneficial effect of making the Treasury Department more careful in assessing additional taxes. I think it will have the effect of making the agents of the Treasury Department, when they go out to examine the books of a business concern, careful to see that any assessment they might levy on the taxpayer can be sustained, and if they are doubtful about any item, they will take it up with the officers of the company or with the business men and iron it out.

It may be urged by some that if this amendment was adopted it would have the effect of working against the taxpayer in that if the Government assessed additional taxes they would be more determined to hold some additional amount of taxes than they would be if they would not be mulcted in costs if they found their returns were wrong. I do not think that would be the case, because this bill provides for an impartial board of tax appeal, and I favor that provision. I think it is one of the best provisions in the bill. If the additional taxes are assessed, both the Government and the taxpayer will have a fair, impartial hearing before this fair and impartial board, and I believe they will pass upon the facts in each case according to the law and justice and will not be biased or influenced either way as to whether the Government would have to pay costs in the case. I do hope you will adopt the amendment.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GREEN of Iowa. Mr. Chairman, I hope I may have the attention of the committee for just a few minutes, although I realize everyone is so impatient to get on, it is difficult for anyone to get a hearing. I have not only the greatest respect and esteem but an affectionate regard for the gentleman from Georgia. Ordinarily, I am very much inclined to accept his judgment on a matter of this kind, but I hardly think my friend from Georgia has gone to the bottom of this matter or has understood what would be its effect. Its effect would be to greatly increase the appeals and the actions between the Government and the taxpayer because it would be an inducement to every attorney to go to the taxpayer and say, "If you can get any little amount allowed on your claim I can have all your attorneys' fees and all your expenses paid." The gentleman says that it would not be fair to give the Government the same privilege of having its attorneys' fees paid for the reason the Government has a large number of attorneys already in their employ. Let me say to the House that the Government will need a great many more attorneys if this provision goes into effect to take care of the great increase in the number of claims that are made against the Government.

And also let me say that when you come to pay the attorneys' fees that run up into hundreds of thousands of dollars in some cases and would be sustained by the Court of Claims on the testimony of attorneys, that they were reasonable, what does my friend from Georgia think that it would cost the Government? You can be prepared to make an additional appropriation.

Mr. YOUNG. What does the gentleman from Iowa think it would be?

Mr. GREEN of Iowa. Five or ten million dollars.

Mr. CRISP. If the taxpayer made an honest return, and if his return is sustained, and if the Government assessment

of additional taxes is not justified, if justice is to be done the taxpayer, why should not he be entitled to receive his cost?

Mr. GREEN of Iowa. If he has made an honest and just return, I do not think he will have much trouble with it, but this puts a premium on contesting tax assessments. My experience with the department has been, as a Member stated the other day, that when I went down there I was given a fair and respectful hearing, and they were disposed to treat the matter fairly. I admit the field agents sometimes get reckless, but here in Washington they give the taxpayer everything, and sometimes a little more.

Mr. DEAL. Yes; they give it to him after a hearing, but they keep him in jeopardy for a month and sometimes a year.

Mr. CHINDBLOM. Mr. Chairman, the gentleman from Georgia [Mr. CRISP], with his usual fairness and consideration, presented this matter to the Committee on Ways and Means. We considered it very carefully. It is a departure from any practice, of which I have any knowledge, in a matter of review of the acts of administrative government anywhere in the United States. Our courts do not ordinarily allow attorneys' fees or fees of experts or fees of accountants or other expenses against unsuccessful litigants. We have not incorporated that system into our jurisprudence. This will be the first case of this kind in the country so far as I am advised at this moment, and I have made some inquiry and investigation of the subject. Of course, the Government is not allowed any part of its costs or expenses in those proceedings where it is successful.

Mr. HASTINGS. Will the gentleman yield? Is not the Government permitted to assess a penalty against the taxpayer, and does not that take the place of the expenses?

Mr. CHINDBLOM. No; we have taken off the penalty and only charge interest. Where it appears that the man has made a fair and honest return but owing to some mistake by the taxpayer there is an additional assessment put on, we do not charge any penalty, but only charge him interest.

It was said by the gentleman from Georgia that the Government has its force of attorneys and accountants and experts on hand. So have most of the taxpayers. Most of these claims come from large taxpayers; they involve hundreds of thousands of dollars usually. They take their own force of experts; they take their own force of accountants; they take their own lawyers, and the big expense will be in these cases where they have the high-class attorneys. These attorneys and accountants and experts will be paid out of the Public Treasury, not at the rate we pay Government employees but at the rate which they are paid in their private practice.

Mr. CRISP. Not under the bill, because the bill gives the Commissioner of Internal Revenue the right to assess the fees.

Mr. CHINDBLOM. It is subject to review in the Court of Claims and every substantial claimant will go to the Court of Claims and the experts will testify, for instance, that Mr. Jones is the leading attorney in New York City, Mr. Brown is the leading attorney in Chicago, and Mr. Smith is the leading attorney in Pittsburgh, and that their services are worth $500 a day. The Government will not be able to dispute it because the time of these attorneys is worth $500 a day in their private practice.

Mr. DEAL. Yes; and the taxpayer has to pay $500 a day because the Government has placed that burden upon him in addition to his tax.

Mr. CHINDBLOM. The men who are in the employ of these companies constantly will be in the Treasury Department, always seeking a review of taxes. We have taken out the necessity of their paying under protest because all large taxpayers made a protest whenever they paid their taxes, when they sent in their checks, whether they had any case or not. It became a regular custom under the advice of lawyers to make the payment under protest.

Mr. GREEN of Iowa. All through this bill we have written it in favor of the taxpayer to make it easier.

Mr. CHINDBLOM. Now, whatever additional amount is assessed, be it large or small, the taxpayer will be without the benefit of this legislation. Suppose he has paid $100,000 in taxes and it transpires that he should have paid $25 more, he will not get the reimbursement for his expenses.

It will be inequitable, however you arrange it. You can not do entire justice all the way through.

Mr. YOUNG. Mr. Chairman, will the gentleman yield?

Mr. CHINDBLOM. Yes.

Mr. YOUNG. Will not this be establishing a precedent that will eventually mean that in the case of every claim against the Government in every department the claimant will be entitled to costs?

Mr. CHINDBLOM. The next step, the next logical step, is to provide that all litigants in the courts, whether against the Government or against private parties, can always recover their costs and expenses in a successful litigation.

The question is on the amendment offered by the gentleman from Georgia.

The question was taken; and on a division (demanded by Mr. CRISP) there were—ayes 73, noes 121.

So the amendment was rejected.

The Clerk read as follows:

SEC. 177. No interest shall be allowed on any claim up to the time of the rendition of judgment by the Court of Claims, unless upon a contract expressly stipulating for the payment of interest, except that interest may be allowed in any judgment of any court rendered after the passage of the revenue act of 1921 against the United States for any internal-revenue tax erroneously or illegally assessed or collected, or for any penalty collected without authority or any sum which was excessive or in any manner wrongfully collected, under the internal revenue laws.

Mr. CHINDBLOM. Mr. Chairman, I move to strike out the last word, which happens to be "laws." I want to take only two minutes for a single purpose. In the debate the other day upon the gift tax, which may become a law, it was said by several speakers that some exemption was made in the proposed gift tax which would take bonuses given to employees by their employers out of the gift-tax provisions. I call attention to the fact, for the purpose of the RECORD, that bonuses given to employees are treated by the revenue department, and I think properly so, as a part of the compensation received by the employees, and they are required to pay taxes on that compensation. These bonuses will not be at all affected by the gift tax.

The Clerk read as follows:

CONSOLIDATION OF LIBERTY BOND TAX EXEMPTIONS.

SEC. 1028. The various acts authorizing the issues of Liberty bonds are amended and supplemented as follows:

(a) On and after January 1, 1921, 4 per cent and 4¼ per cent Liberty bonds shall be exempt from graduated additional income taxes, commonly known as surtaxes, and excess-profits and war-profits taxes, now or hereafter imposed by the United States upon the income or profits of individuals, partnerships, corporations, or associations, in respect to the interest on aggregate principal amounts thereof as follows:

Until the expiration of two years after the date of the termination of the war between the United States and the German Government, as fixed by proclamation of the President, on $125,000 aggregate principal amount; and for three years more on $50,000 aggregate principal amount.

Mr. McKEOWN. Mr. Chairman, I offer the following amendment, which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Page 231, line 17, strike out line 17, to and including line 24, and through to line 7 on page 232.

Mr. McKEOWN. Mr. Chairman, I want to ask the chairman why it is necessary to have this language remain in this bill? The purpose of the provision is evidently passed. I can see no reason why we should keep that legislation.

Mr. GREEN of Iowa. My understanding is that it is necessary in order to preserve those provisions.

Mr. McKEOWN. I should not think we would want to go on record here as passing this tax bill containing language putting us in the attitude of still being in favor of tax-exempt securities. I think it ought to go out. I understand that it was in the original law.

Mr. GREEN of Iowa. It was originally passed for five years, and the five years are not yet up.

Mr. McKEOWN. I should think we ought to take that language out of the bill because we do not want to go on record as being in favor of any tax-exempt securities. It has effected its purpose, and it ought to go out.

Mr. GREEN of Iowa. These were provisions made at the time these bonds were issued, and it has been the law for a long time. They will expire in 1926.

Mr. McKEOWN. That is true; and we could not change the contract under which they are issued, but I see no reason why we should continue these provisions in this law, which is a new law and does not affect and could not affect the contract under which the bonds are issued.

Mr. CHINDBLOM. Mr. Chairman, will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. CHINDBLOM. I think I can tell the gentleman why. We have tried to put into this law all of the provisions which relate to these taxes, even though we reenact certain laws, because a lawyer or a judge or even a layman finds it convenient to have all of the law in one place.

Mr. McKEOWN. That is all right. I see the purpose. But here is a bill containing this language, and we have to face constituents who are insisting that we pass no more legislation favoring tax-exempt securities. As a Member of this House, I do not want to be put in the attitude of voting for a bill that carries further provisions with reference to tax-exempt securities when, as a matter of fact, it is not necessary. It is nice and convenient for the lawyers, but I do not want to have some fellow going over the country demagoging, misconstruing the situation, and saying that we were voting for further continuation of tax-exempt securities. I think it would be better legislation to eliminate it now. The reason for the legislation is gone.

Mr. CHINDBLOM. The effect would be to leave this provision in the law, but the gentleman wants to leave it where nobody knows it.

Mr. McKEOWN. Let them know that we are not going on record as voting for a continuation of it. That is the objection that I have to it. There is no reason to reenact the law. If it is already the law, let it go out of this bill. I am not doing this for the purpose of trying to hinder the legislation, and I take opportunity now to commend the members of this committee for the patience that they have exhibited, and especially the chairman. We have had some trouble, but it is all worked out all right. The chairman of the committee has had a lot to bother him, and I want to compliment him upon his fairness to us in extending time. I also compliment the members of the committee on both sides for their patience. I ask the committee now to take this language out of the bill, so that it may not be misconstrued. It is already the language of the law, and there is no necessity for continuing it in this bill. And the same applies to the next section (b). There are exceptions set out in section (b) that are not necessary in this bill. I propose to offer an amendment to strike that out. It is not necessary. Why, in putting out a new law to the country, encumber it with old provisions that are not going to be changed and which will not affect us? I hope the committee will strike this language out. I see no reason why it should be retained. It should be stricken out, and I submit that to the committee.

The CHAIRMAN. The question is on agreeing to the amendment offered by the gentleman from Oklahoma.

The question was taken, and the amendment was rejected.

Mr. LANKFORD. Mr. Chairman, I move to strike out the last word.

The CHAIRMAN. The gentleman from Georgia moves to strike out the last word.

Mr. GREEN of Iowa. The gentleman will pardon me; but we can not get through the bill to-day if there is much discussion.

The CHAIRMAN. The gentleman from Georgia is recognized.

Mr. LANKFORD. Mr. Chairman and gentlemen of the committee, at this time I beg to call your attention to an injustice which is about to be done to the farmers of my district and of the tobacco-growing section of the Nation.

The amendment adopted the other day to this bill to increase the tax on cigarettes will militate against the tobacco growers of the country by forcing down the price of raw tobacco as sold by the farmers. The farmers of my section and of the South generally are suffering very much just now on account of the ravages of the boll weevil. Like a drowning man, they are catching at everything which will help to keep them from losing all. One gleam of hope comes to those in a large section of the South where tobacco can be produced. The people of south Georgia and other sections are just beginning to grow tobacco successfully, and I am extremely anxious that nothing be now done to hurt or lower the price of the tobacco of these folks.

People who are vitally interested in the growing of tobacco, and who have studied the question closely, say the increase of tax on cigarettes here proposed will hurt very much the price of the tobacco of the growers.

Gentlemen, let me beg you not to hurt these folks who are now struggling so hard to keep going under adverse circumstances. In order to show how much my people oppose this tax I wish now to read the following telegrams:

BLACKSHEAR, GA., *February 27, 1924.*

Hon. W. C. LANKFORD, M. C.,
Washington, D. C.:

Believing that any further taxes on the products manufactured from tobacco will react to the injury of the farmer growing tobacco, we urge in the interest of the farmers, warehousemen, banks, and all other interests financing the growth of tobacco that you oppose all such further taxation.

THE BLACKSHEAR TOBACCO BOARD OF TRADE.

NASHVILLE, GA., *February 27, 1924.*

Hon. W. C. LANKFORD, M. C.,
Washington, D. C.:

Please help us preserve our south Georgia tobacco industry by forceful opposition to proposed increase in cigarette tax to $4.

THE FIRST BANK OF NASHVILLE.

HAHIRA, GA., *February 27, 1924.*

Hon. W. C. LANKFORD, M. C.,
Washington, D. C.:

Use your influence and legislate against new proposed tax raise on tobacco.

J. E. MASSEY.

HAHIRA, GA., *February 27, 1924.*

Hon. W. C. LANKFORD, M. C.,
Washington, D. C.:

Your influence against increase cigarette tax desired. Do all you can to defeat same.

HAHIRA BOARD OF TRADE.

HAHIRA, GA., *February 27, 1924.*

Hon. W. C. LANKFORD, M. C.,
Washington, D. C.:

Please do all you can to defeat increase cigarette tax.

HAHIRA TOBACCO WAREHOUSE CO.

In response to these telegrams I advised my people by wire as follows:

I opposed amendment increasing tax on cigarettes and will secure separate vote on this item when main bill comes up and hope yet to help secure defeat of increase.

When this separate vote is secured I beg the friends of the farmers here to help us in this our time of need. Let me say that a separate vote will be secured on this item. I will demand a separate vote, unless the Speaker recognizes some other friend of the tobacco growers to make the motion. I will see to it that a separate vote is had and will insist on a record vote being taken. Some say this tax will not hurt the farmers. The tobacco growers say it will hurt them. Let us take no chances. We should resolve the doubt in favor of the farmers if we have any doubt. I, for my part, have no doubt. The tax will hurt my people, and they are not able to suffer any loss at this time. We ought to be appropriating money to help these unfortunate people in the boll-weevil section to get established fully in the growing of tobacco, instead of passing legislation to wreck this new industry.

The farmers always bear more than their share of the burdens of government, and I hope the time will soon come when we can pass tax and other legislation here without piling additional heavy and unnecessary burdens of taxation on backs which are already very much overloaded. This bill is, in part, favorable to the common folks. Let us not now retain a provision which will far overbalance all good in the bill for the farmers. Gentlemen, I wish to plead with you at this time not to increase the present tax on cigarettes. [Applause.]

The CHAIRMAN. Without objection, the pro forma amendment is withdrawn. The Clerk will read.

The Clerk read as follows:

(b) The exemptions provided in subdivision (a) shall be in addition to the exemptions provided in section 7 of the second Liberty bond act, and in addition to the exemption provided in subdivision (3) of section 1 of the supplement to the second Liberty bond act in respect to bonds issued upon conversion of 3½ per cent bonds, but shall be in lieu of the exemptions provided and free from the conditions and limitations imposed in subdivisions (1) and (2) of section 1 of the supplement to the second Liberty bond act and in section 2 of the Victory Liberty loan act.

Mr. McKEOWN. Mr. Chairman, I move to strike out all of paragraph (b) on page 232, commencing with line 8 and concluding with line 18.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. MCKEOWN: Page 232, beginning with line 8, strike out all of subsection (b).

Mr. McKEOWN. Mr. Chairman, I insist that that is the same proposition. I do not care whether or not you vote to strike it out because I offer the amendment, but I say you are going to be subjected to severe criticism, and I apprehend it will be misrepresented. This changes the law, and——

Mr. CHINDBLOM. This is part of section 1328 of the revenue act of 1921. You have reenacted paragraph 8. If you strike out paragraph (b), that does change section 1328 of the revenue act of 1921.

Mr. McKEOWN. The gentleman knows we ought not to carry this language further in here with reference to tax-exempt securities. You can not change the law under which they were issued, because that is a solemn contract with the Government. I mean to say that if you issue tax-exempt securities and those securities are put on the market and held as tax-exempt securities, Congress, until it has some power other than is given it now, could not change the contract under which they were bought.

Mr. GREEN of Iowa. The statute in regard to the impairment of contracts does not apply to the United States Government.

Mr. McKEOWN. It would be a very immoral thing for the Government to set a bad example in that way. I do not want to delay the proceedings, but I insist you are putting in language that you will find, if you pass this bill, you would wish you had taken out.

Mr. BLANTON. Mr. Chairman, I rise in opposition to the amendment.

The CHAIRMAN. The gentleman from Texas is recognized.

Mr. BLANTON. What is the use in rushing through this bill in such a speedy way when we have plenty of time to-day? It is still early, only a little after 1 o'clock. I think this paragraph ought to stay in the bill if the majority party is consistent.

Mr. WINGO. Let me suggest to my friend that he hurry. They are having conferences over here. They have not decided which one has surrendered, and they are afraid they will back down, and they want to bring it to an issue as soon as possible.

Mr. BLANTON. You Republicans ought to quit camouflaging about tax-exempt securities. As to the $15,000,000,000 of tax-exempt securities now existing, there is not a Republican leader who would interfere with the situation. They want them to be exempt, and they want the people who own them to escape taxation. We ought to keep this language in here in order that our Republican friends at least in one particular may be consistent.

Mr. GREEN of Iowa. I want the Government of the United States to keep its solemn contract. I do not want to be placed in the position of a repudiator.

Mr. BLANTON. Oh, yes; neither the gentleman nor his party seem to like repudiators. We have heard our friends over there on the Republican side of the aisle insist upon a surtax rate of 25 per cent. There was not going to be any change of front; they were for Mr. Mellon's bill and nothing else. There was to be no repudiation of their position. Yet here we have in the RECORD this morning a statement from the leader of this House [Mr. LONGWORTH] that he is going to ask the Republicans on this side to vote for a surtax rate of 37½ per cent, in the face of his former stick-to-the-death plan for 25 per cent. Is that consistent? Is there any repudiation in that? I ask the gentleman to answer. Is it consistent?

Mr. GREEN of Iowa. I want to say to the gentleman that I have been entirely consistent all the way through.

Mr. BLANTON. Is that keeping his contract with Mr. Mellon?

Mr. GREEN of Iowa. Oh, Mr. Chairman, I shall have to object.

Mr. BLANTON. Oh, I am not out of order. I was answering the gentleman. I am speaking on consistency in keeping this language in the bill, because if you take it out it would make my friend and his party appear inconsistent with respect to tax-exempt securities. As I said before, you Republicans ought to quit this camouflaging and you ought to be fair with the people. If you take a stand, you ought to be fair about it. If I were an insurgent—and I am not—if I were an insurgent and believed in 50 per cent or in 44 per cent as against only 37½ per cent, I would stand hitched until Gabriel blew his trumpet before I would be led away from the path of righteousness. [Applause.]

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. CHINDBLOM. That is, you will stand hitched until your side holds a caucus?

Mr. BLANTON. I stand hitched always for what I believe is right. My side stands hitched. We Democrats have decided on a policy in the best interest of the whole people of this country and now we have almost pulled you Republican stand-pat regulars up to the Democratic policy. You have come most of the way. There is now very little difference between us. I wish you would see the light of day and hear from the people of the country and then you would raise the 37½ per cent a little and every last one of you would vote for the Garner plan. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma [Mr. McKEOWN].

The question was taken, and the amendment was rejected.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

SEC. 1100. (a) The following parts of the revenue act of 1921 are repealed, to take effect (except as otherwise provided in this act) upon the enactment of this act, subject to the limitations provided in subdivisions (b) and (c):

Title II, called "Income tax," as of January 1, 1924;

Title IV, called "Estate tax";

Title V, called "Tax on telegraph and telephone messages," except subdivision (d) of section 500, effective on the expiration of 30 days after the enactment of this act;

Sections 602 and 603 of Title VI, being the taxes on certain beverages and constituent parts thereof;

Title VII, called "Tax on cigars, tobacco, and manufactures thereof";

Title VIII, called "Tax on admissions and dues," effective on the expiration of 30 days after the enactment of this act;

Sections 900, 901, 902, 903, and 904 of Title IX, being certain excise taxes;

Section 905 of Title IX, being the tax on jewelry and similar articles, effective on the expiration of 30 days after the enactment of this act;

Title X, called "Special taxes," effective on June 30, 1924;

Title XI, called "Stamp taxes";

Title XII, called "Tax on employment of child labor";

Sections 1307, 1308, 1309, subdivision (c) of section 1310, sections 1311, 1312, 1313, 1314, 1315, 1316, 1318, 1320, 1321, 1322, 1323, 1324, 1325, 1326, 1328, 1329, and 1330, being certain administrative provisions.

Mr. GREEN of Iowa. Mr. Chairman, I offer a perfecting committee amendment.

The CHAIRMAN. The gentleman from Iowa offers a committee amendment, which the Clerk will report.

The Clerk read as follows:

Committee amendment offered by Mr. GREEN of Iowa: Page 236, line 6, after the parenthesis and before the semicolon insert "effective on the expiration of 30 days after the enactment of this act."

Mr. GREEN of Iowa. Mr. Chairman, this is made necessary by the previous action of the committee.

The CHAIRMAN. The question is on the committee amendment.

The question was taken, and the amendment was agreed to.

Mr. McLAUGHLIN of Michigan. Mr. Chairman, I move to strike out the last word. I do so for the purpose of calling the attention of the committee to erroneous statements carried by several of the newspapers in regard to the proceedings in the Committee of the Whole respecting amendments affecting the automobile tax. I read from the New York Times of this morning:

Through an amendment written by Representative CLANCY, Democrat, of Michigan, and presented by his Republican colleague, Representative McLAUGHLIN, $23,600,000 was lopped off the automobile taxes.

I read now from the Detroit Free Press of February 27, the latest issue of that paper received in this city. Under the column relating to the work of the House on this tax bill this appears:

Representative McLAUGHLIN, also of Michigan—

The article had been speaking of Mr. CLANCY—

Representative McLAUGHLIN of Michigan gained the floor and presented amendments previously drawn up by CLANCY, but given to the Republican for introduction because of the difficulty Democratic Members have met in gaining recognition on the floor.

A little further along in the same article is a line or two I wish to read:

It had been agreed that McLAUGHLIN, a member of the Ways and Means Committee, should present the amendments.

Mr. Chairman, these newspaper items, as the House knows, relate to two amendments I offered Tuesday to the automobile section of the tax bill, and which were adopted yesterday—Thursday—by the Committee of the Whole practically without opposition.

On page 166 of the bill is section 600, paragraph 1 of which proposed to continue a tax of 3 per cent on the sale price of autotrucks and autowagons. On the same page, paragraph 3 of the section proposed to continue a tax of 5 per cent on tires, accessories, repair parts, and so forth. Under paragraph 1 the

taxes collected last year—1923—amounted to about $10,500,000, and under paragraph 8 the amount collected was about $40,000,000.

I have been and still am opposed to the continuance of these taxes. In the Committee on Ways and Means, of which I am a member, I sought but was unable to obtain repeal or reduction of either of these paragraphs; so I determined and notified the committee of my intention to carry the matter to the House, to offer amendments, and endeavor to secure their adoption.

Tuesday I did as I had determined; I offered an amendment to paragraph 1 to exempt from taxation autotrucks and autowagons the chassis of which sells for not more than $1,000, the effect of which, if it shall become law, will be to reduce taxes on trucks and wagons to the extent of about $3,600,000.

I also offered an amendment to paragraph 8 to reduce the tax from 5 per cent, the present rate, to 2½ per cent, the effect of which will be to reduce these taxes by about $20,000,000.

The New York Times story I have just read says that I offered "an amendment written by Mr. CLANCY, Democrat, from Michigan." The Free Press article says I "presented amendments previously prepared by Mr. CLANCY, but given to the Republicans because of the difficulty Democratic Members have of gaining recognition on the floor"; says also, "It had been agreed that MCLAUGHLIN, a member of the Ways and Means Committee, should present the amendments."

I did obtain recognition, not on account of any "agreement" but because under the rules and uniform custom of the House I was entitled to be recognized. I explained my amendments and their effect very briefly because there was little, if any, opposition to them, but no vote was had that evening because the committee decided to rise. During the brief and confused discussion the gentleman from Michigan [Mr. CLANCY] said he "had an agreement with Mr. MCLAUGHLIN to give him credit for the battle I had carried on for the repeal of these taxes." Mr. Chairman, I never had any agreement or understanding of any nature whatever with the gentleman from Michigan [Mr. CLANCY] or with anyone else in regard to "giving me credit" for these amendments or for anything else I might do in the matter of these automobile taxes. I did not seek recognition by the Chairman for the purpose of offering these amendments as a result of any agreement or understanding. I had a clear, well-understood, undisputed right to be recognized as a member of the Committee on Ways and Means. It was not necessary for me to ask anyone on the Democratic side of the House for permission or preference. The chairman of the Committee on Ways and Means not wishing to offer any amendment, I was clearly indisputably entitled to be recognized.

Nor did the gentleman from Michigan [Mr. CLANCY] or anyone else prepare these amendments for me. I prepared them myself.

In the Committee on Ways and Means I moved to reduce the taxes on accessories, tires, repair parts, and so forth, from 5 per cent to 2½ per cent. In committee I sought also reduction of taxes on trucks and wagons.

Some two weeks later in a speech in the House the gentleman from Michigan [Mr. CLANCY] advocated the reduction I had offered in the committee; that is, reduction from 5 per cent to 2½ per cent; and in the same speech he urged reduction of taxes on trucks and wagons on a basis of their carrying capacity—all below 2 tons capacity.

The gentleman from Michigan kindly offered to assist and did materially assist me in securing data respecting trucks and wagons, and I advised with him as to the amendment I proposed to offer; but I told him I could not accept his theory; that my amendment would not provide for reduction of taxes on a basis of the carrying capacity of the vehicles.

In my interviews with him I told him that it would be necessary for me to insist on an amendment by which the selling price of the chassis would be the basis of such reduction of taxes as ought to be or properly could be made, and I showed him a draft of an amendment I had prepared after conferring with the gentleman from Massachusetts [Mr. TREADWAY] and other Members who were interested as we were in the matter. Mr. CLANCY approved my amendment and kindly said he would support it. The theory of the amendment was mine; its language, form, and substance were mine. It was my amendment that was offered to and adopted by the House.

The gentleman who wrote the newspaper stories I have read was misinformed. I make this explanation because I feel too much responsibility has been placed upon the gentleman from Michigan [Mr. CLANCY], a burden which I ought in all fairness largely to bear myself. He has been very kind and very helpful to me, and he ought to be acquitted and entirely relieved of the charge of having drafted my amendments or of having conceived the idea upon which they are based.

Mr. BLANTON. Mr. Chairman, I rise to a point of order that the gentleman is not in order. Now, the gentleman from Iowa wants to get rid of this bill——

Mr. NEWTON of Minnesota. The gentleman moved to strike out the last word, which is "taxes," and certainly he is talking about taxes.

Mr. BLANTON. But we have a parliamentarian in the chair.

Mr. CRAMTON. Mr. Chairman, I ask unanimous consent that the gentleman from Michigan have the same courtesy that he himself secured for Mr. CLANCY a day or two ago, and that he be permitted to proceed out of order.

Mr. BLANTON. If the gentleman will couple with that the request that Mr. CLANCY follow him for five minutes, that will be all right.

Mr. CRAMTON. Mr. CLANCY had time yesterday at the request of Mr. MCLAUGHLIN of Michigan.

The CHAIRMAN. The gentleman from Michigan [Mr. CRAMTON] asks unanimous consent that for the three minutes remaining the gentleman from Michigan [Mr. MCLAUGHLIN] may proceed out of order.

Mr. CRAMTON. I ask unanimous consent that he may proceed for five minutes.

Mr. BLANTON. With the understanding that Mr. CLANCY may have five minutes to reply there will be no objection.

Mr. GREEN of Iowa. There will be no such understanding.

Mr. BLANTON. Then I object.

The CHAIRMAN. Objection is made, and the point of order must be sustained.

Mr. GARNER of Texas. Mr. Chairman, I rise in opposition to this amendment for the purpose of making a statement to the committee.

The CHAIRMAN. The amendment is a pro forma amendment. The gentleman from Texas [Mr. GARNER] is recognized.

Mr. GARNER of Texas. Mr. Chairman, I want to call the attention of the committee to what has just happened in the committee. I have no objection to the gentleman from Michigan [Mr. MCLAUGHLIN] making a statement to correct the RECORD and get all the credit he can for the automobile amendments or any other kind of an amendment. If it is necessary that he get credit for something in order to stay in Congress, then let him have credit. I had supposed that the position of the gentleman from Michigan [Mr. CLANCY] and the gentleman from Michigan [Mr. MCLAUGHLIN] was sufficiently known——

Mr. CRAMTON. Mr. Chairman, I rise to a point of order, and the point of order is that the gentleman is not speaking to the pending amendment. If permission can not be given to Mr. MCLAUGHLIN, it ought not to be given even to the distinguished gentleman from Texas. I make a point of order.

Mr. GARNER of Texas. Sustain the point of order, and I will talk on this amendment.

The CHAIRMAN. The point of order is sustained.

Mr. GARNER of Texas. If you do not mean what you say, that you are going to finish this bill to-day, you are misrepresenting the House, and the gentleman from Iowa and the gentleman from Ohio ought to protect it.

Mr. GREEN of Iowa. If the gentleman will inform me what other methods I can possibly use to get the bill along, I will adopt them.

Mr. GARNER of Texas. I will tell the gentleman how to do it: Do just what the gentleman from Michigan did a moment ago with me and make a point of order against the gentleman from Massachusetts [Mr. TREADWAY] when he was speaking out of order, and make a point of order against the gentleman from Michigan [Mr. HUDSON] when he was speaking out of order, and make a point of order against the gentleman from Michigan [Mr. MCLAUGHLIN] when he was speaking out of order.

Mr. GREEN of Iowa. The result would not have been to save time, I will say to the gentleman.

The CHAIRMAN. This is out of order, gentlemen. The Chair has already sustained the point of order. Without objection, the pro forma amendment is withdrawn, and the Clerk will read.

The Clerk read as follows:

TRAVELING EXPENSES.

SEC. 1101. All officers and employees of the Bureau of Internal Revenue in addition to their compensation shall receive their necessary traveling expenses and actual expenses incurred for subsistence while traveling on duty and away from their designated stations, in an amount not to exceed $7 per day.

Mr. BLANTON. Mr. Chairman, I offer an amendment. On page 237, line 18, strike out "$7" and insert in lieu thereof "$5."

The CHAIRMAN. The gentleman from Texas offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. BLANTON: Page 237, line 18, strike out the figure "7" and insert in lieu thereof the figure "5."

Mr. BLANTON. Mr. Chairman, we have numerous departments of the Government where there is occasion for their employees to travel in the interest of Government business. The gentleman from Iowa knows, and every member of the Committee on Appropriations knows, that in most of these bills the compensation allowed for subsistence when traveling is fixed at $4 and, in a few cases, at $5 per day.

Mr. HASTINGS. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. HASTINGS. If my recollection is correct, in some of the other appropriation bills we have been considering the amount has been fixed at $4, and I was wondering why the gentleman from Texas would not change his amendment so that it would be uniform and insert $4 instead of $5.

Mr. BLANTON. I will state to my friend from Oklahoma that I wanted to be consistent. In the majority of instances, in most of the appropriation bills, the maximum is fixed at $4, but there have been two or three bills wherein the gentleman from New York [Mr. SNYDER] and others have helped to raise it to $5 and I wanted to be as fair with this department as we have been with any of the other departments, hence I put in $5 in lieu of the $7.

Mr. CRAMTON. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. CRAMTON. What department permits more than $4? To what department is more than $4 permitted in continental United States? I do not know of any.

Mr. BLANTON. There are one or two instances; for instance, certain employees traveling in Alaska.

Mr. CRAMTON. Oh, that is different. There is no case in any department in continental United States where over $4 is permitted.

Mr. BLANTON. Is the gentleman going to offer an amendment to change $5 to $4? If he does, I will support it.

Mr. CRAMTON. I will be glad to support the gentleman.

Mr. BLANTON. The reason I did not fix it at $4 was that I did not think amending it to $4 had any chance on earth to pass. I fixed it at $5 hoping it would pass and believing that our Republican friends over there on this other side of the aisle would not have the face to allow from several hundred to possibly a thousand or more employees, who could be employed under this bureau, to go out traveling over the United States with more than $5 a day allowed them for expenses in addition to their salaries and transportation.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BLANTON. Yes.

Mr. LAGUARDIA. Does not the gentleman believe that some latitude should be given to cover actual expenses when an employee is sent to a center where living is expensive?

Mr. BLANTON. Does the gentleman know how many employees are employed in this bureau?

Mr. LAGUARDIA. I know there are too many traveling.

Mr. BLANTON. There are a horde of them traveling all over the United States every day, and you are fixing in this bill to give them $7 a day for subsistence in addition to their transportation and salaries, and it is too much. I have offered an amendment to cut it down from $7 to $5, which is $1 more than the employees of practically every other department receive now for subsistence when away on business. I presume my amendment will be voted down, as this committee seems to have no concern whatever about waste and extravagance. I wanted to raise the question here and place the responsibility on you Republicans, where it justly belongs, in case it is left in this bill.

Mr. SCHAFER. Will the gentleman yield?

Mr. BLANTON. I yield to the distinguished gentleman.

Mr. SCHAFER. Do you think you can travel around this country for $5 a day expenses?

Mr. BLANTON. This $5 is in addition to transportation expenses and salary. If I were allowed $5 for subsistence, I would travel on $5, I will say to my friend. I have traveled many times on less than $5 a day for subsistence, and I could do it again, I believe.

Mr. LAGUARDIA. In Texas?

Mr. BLANTON. In many places over the United States. You do not have to put up at the Waldorf-Astoria as a Government employee. It is no disgrace to put up at a lower-priced hotel.

Mr. LAGUARDIA. Will the gentleman mention one?

Mr. BLANTON. There are many respectable hotels where you can get rooms now for $2.50 a day, even with baths, and they are fairly good hotels. You do not have to put up at such hotels as the Willard or the Raleigh or the Washington or the Hamilton. You can choose a more modest hotel. I know of Congressmen who choose them here in the city. You have too big an idea about this matter of furnishing expenses to officials and employees when the money comes out of the Public Treasury.

What are you going to do about this increase? You are setting a dangerous precedent. You limit the other employees of other departments to $4. Why are you going to allow $7 to these particular employees? What is there about this particular bureau that you should change the system and policy of this Government and pay them $7 for subsistence when you pay others only $4? Are these employees a little more high-toned, so that they have got to have an extra $3 a day more? Are they members of certain high social societies that they must be paid an extra $3 per day more? Why do you not leave them on the same plane that we have left employees of every other department of this Government? I say that you ought to change this from $7 to $5. It is up to the chairman of the committee to change it, and the responsibility will be on his party if he lets this go through. His party leaders are here with him, and he and they can change it if they want to do it. I can not change it, but he can, and if he lets it stay in this bill he and the Republican Party are responsible and nobody else.

The CHAIRMAN. The time of the gentleman has expired. The question is on the amendment offered by the gentleman from Texas.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 58, noes 106.

So the amendment was rejected.

The Clerk read as follows:

EFFECTIVE DATE OF ACT.

SEC. 1103. Except as otherwise provided, this act shall take effect upon its enactment.

Mr. CRISP. Mr. Chairman, I move to strike out the last word. The next section is all one integral piece of legislation. It is my purpose to move to strike out the entire title. In the interest of expediting the bill I would suggest that it all be read at one time and have the whole matter before the House subject to amendment.

Mr. GREEN of Iowa. I think it would be well to do that.

Mr. TILSON. The gentleman means the entire title?

Mr. CRISP. I mean the entire title. Then, Mr. Chairman, I ask unanimous consent that the entire Title XII be read and the whole matter be open for amendment.

The CHAIRMAN. The gentleman from Georgia asks unanimous consent that Title XII be read in its entirety by the Clerk subject to any amendment that may be proper to any paragraph therein. Is there objection? [After a pause.] The Chair hears none, and the Clerk will read Title XII.

The Clerk read as follows:

TITLE XII.—REDUCTION OF INCOME TAX PAYABLE IN 1924.

SEC. 1200. (a) Any taxpayer making return for the calendar year 1923 of the taxes imposed by Parts I and II of Title II of the revenue act of 1921 shall be entitled to an allowance by credit or refund of 25 per cent of the amount shown as the tax upon his return.

(b) If the amount shown as the tax upon the return has been paid in full on or before the time of the enactment of this act, the amount of the allowance provided in subdivision (a) shall be credited or refunded as provided in section 281 of this act.

(c) If the taxpayer has elected to pay the tax in installments and, at the time of the enactment of this act, the date prescribed for the payment of the last installment has not yet arrived, the amount of the allowance provided in subdivision (a) shall be prorated to the four installments. The amount so prorated to any installment, the date for payment of which has not arrived, shall be applied in reduction of such installment. The amount so prorated to any installment, the date for payment of which has arrived, shall be credited against the installment next falling due after the enactment of this act.

(d) If the taxpayer has been granted an extension of time for payment of the tax or any installment thereof to a date subsequent to the enactment of this act, the amount of the allowance provided in subdivision (a) shall be applied in reduction of the amount of tax shown upon the return, or, if the tax is to be paid in installments, shall be prorated to the four installments. The amount so prorated to any installment, the date for payment of which has not arrived, shall be applied in reduction thereof. The amount so prorated to any installment, the date for payment of which has arrived, shall be credited against the installment next falling due after the enactment of this act.

(e) Where the taxpayer at the time of the enactment of this act has not paid in full that part of the amount shown as the tax upon the return which should have been paid on or before the time of the enactment of this act, then 25 per cent of any amount already paid shall be applied in reduction of the amount unpaid (such unpaid amount being first reduced by 25 per cent thereof) and any excess shall be credited or refunded as provided in section 281 of this act.

(f) If the correct amount of the tax is determined to be in excess of the amount shown as the tax upon the return, and a deficiency has been assessed before the enactment of this act, then 25 per cent of any amount of such deficiency which has been paid shall be applied in reduction of the amount unpaid (such unpaid amount being first reduced by 25 per cent thereof) and any excess shall be credited or refunded as provided in section 281 of this act. Any deficiency assessed after the enactment of this act shall be reduced by 25 per cent of the amount which would have been assessed as a deficiency if this title had not been enacted.

(g) The allowance provided in subdivision (a) shall be deducted from the tax or deficiency for the purpose of determining the amount on which any interest, penalties, or additions to the tax shall be based.

SEC. 1202. Any taxpayer who has made return of the taxes imposed by Parts I and II of Title II of the revenue act of 1921, for a period of less than a year and beginning and ending within the calendar year 1923, shall be entitled to an allowance by credit or refund of 25 per cent of the amount shown as the tax upon his return. If the correct amount of the tax for such period is determined to be in excess of the amount shown as the tax upon the return, the taxpayer shall be entitled to the benefits of subdivision (f) of section 1200 of this act.

SEC. 1203. The allowance provided in sections 1201 and 1202 shall, under rules and regulations prescribed by the commissioner with the approval of the Secretary, be made in a similar manner to that provided in section 1200.

SEC. 1204. The interest provided in section 1019 of this act shall not be allowed in respect of the allowance provided for in this title.

SEC. 1205. The benefits of the allowance provided for in this title shall be granted to the taxpayer under rules and regulations prescribed by the commissioner with the approval of the Secretary.

SEC. 1206. Terms defined in the revenue act of 1921 shall, when used in this title, have the meaning assigned to such terms in that act.

Mr. GREEN of Iowa. Mr. Chairman, I would like to see if we can not agree on the time for debate on this title. How many gentlemen want to speak on that side?

Mr. CRISP. So far as I know there are only two. I want to move to strike out the title and would like five minutes, and the gentleman from New York [Mr. O'CONNELL] has a perfecting amendment and he would like five minutes.

Mr. DENISON. I want five minutes.

Mr. GREEN of Iowa. Mr. Chairman, I ask unanimous consent that all debate on this title and all amendments thereto close in 30 minutes. I think the time of recognition should be left to the Chair.

Mr. CRISP. That will be satisfactory to me.

The CHAIRMAN. The gentleman from Iowa asks unanimous consent that all debate on Title XII and amendments thereto close in 30 minutes. Is there objection?

Mr. DENISON. Reserving the right to object, is it understood that I shall have five minutes?

The CHAIRMAN. The Chair can not make any promises to recognize gentlemen. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. CRISP. Mr. Chairman, I move to strike out the entire Title XII.

The CHAIRMAN. The Clerk will report the amendment.

The Clerk read as follows:

Beginning on page 238, line 4, strike out all of Title XII.

Mr. O'CONNOR of New York. Mr. Chairman, I have sent to the desk a perfecting amendment.

The CHAIRMAN. That will have priority of vote, but the gentleman from Georgia has priority of recognition.

Mr. CRISP. Gentlemen of the committee, the title just read proposes to give retroactive benefit of 25 per cent tax reduction to income-tax payers for the calendar year of 1923. The amount involved in it is about $223,000,000. This House is in favor of adjusted compensation for the soldiers, and whenever that proposition is made you hear the objection that you have no money to pay it. Here is a proposition that proposes to give a cash bonus amounting to $223,000,000 to the business men, the income-tax payers, for the year 1923. Now, why do I say it is a cash bonus? We all know that the business men pass on the greater part of their taxes in overhead charges to the consumers. My distinguished friend from New York [Mr. SNYDER]—and I have high regard for him—who is a sensible, prosperous, and successful business man, said on the floor of this House that he in his business passed on 90 per cent of the taxes to his consumers. The President in New York the other day in a speech gave an illustration of the farmer buying a pair of shoes, and said that the farmer paid all of the taxes that were passed on to him. The Secretary of the Treasury in all the arguments for 25 per cent surtax said that the consumer pays the tax.

There is no provision in the bill to remit to the consumer who purchased the goods from the business men in the calendar year of 1923 the excess price they paid the business men on account of income taxes for the goods that they bought in 1923. It is a pure proposition to remit to the taxpayers of this country the taxes they have already collected out of the public and allow them to retain this additional profit in their treasury amounting to $223,000,000. And yet you say you have not funds to grant adjusted compensation to the soldiers of this country who saved the Nation. Gentlemen, I do not believe you will do it.

Several years ago a proposition came into this Congress to make retroactive the excess-profit taxes. The able and distinguished gentleman from Illinois, who has gone to his reward, Mr. Mann, jumped on it as unjustifiable and indefensible to remit to these people the bonus money they had already collected out of the consuming public. This is identically that proposition.

This proposition was not in the original Mellon bill. Our distinguished friend, the chairman of the Committee on Ways and Means, says that he is the father of this. It simply proposes to give to the business men, the men who are best able to pay taxes, $223,000,000, and I do not believe you will do it. [Applause.]

Mr. O'CONNOR of New York. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment offered by Mr. O'CONNOR of New York: Page 238, line 10, after the word "return," strike out the period and insert a colon and the following: "*Provided, however,* That such allowance by credit or refund to any taxpayer shall not exceed a total of $400."

Mr. O'CONNOR of New York. Mr. Chairman, my amendment is a compromise between the bill and the amendment offered by the gentleman from Georgia [Mr. CRISP]. I have taken the figure of $400 somewhat arbitrarily. It represents the ultimate amount that any taxpayer with an income up to $20,000 would get under a 25 per cent reduction. Under the present tax rates, anybody with an income up to $20,000 has to pay a tax not exceeding $2,000, and a refund of $400 would cover everybody who has an income of $20,000 or less, which is the same figure put in the bill as the maximum of the earned income. Beyond that, no matter what the income of the taxpayer might be, he would be limited to $400 in the return, so that by this the 6,600,000 taxpayers would be taken care of as against 53,000 who would not benefit, as they do under the proposed law.

Mr. CHINDBLOM. Mr. Chairman, the difficulty with the gentleman's figure is that there are only three and a half million, approximately, who pay taxes, while there are some 7,000,000 returns filed.

Mr. O'CONNOR of New York. Very well. The same proportion holds. This provision of mine would return to these people, who directly pay the taxes, 25 per cent reduction. On the authority of Secretary Mellon and the authority of President Coolidge you should not return to withholding agents, and that is practically what the high taxpayers are. They were withholding agents who collected the taxes from the people who dealt with them. It is now proposed to return and let them keep 25 per cent of the taxes, whereas if you adopt my amendment—and I have offered it in the utmost sincerity, having discussed it with many Members, and having given some study to it—those people who out of their earned income actually paid the money out of their own pockets would get the 25 per cent reduction up to incomes of $20,000, and it would limit all of the other taxpayers to only $400 refund. I believe my amendment is a fair compromise between the provisions of the bill and the amendment offered by the gentleman from Georgia [Mr. CRISP]. [Applause.]

Mr. DENISON. Mr. Chairman, I rise in opposition to the amendment of the gentleman from New York [Mr. O'CONNOR]. I am opposed to his amendment because it will accomplish nothing. I favor the amendment offered by the gentleman from Georgia [Mr. CRISP]. I had intended to offer that amendment myself; but as he is a member of the committee, he was entitled to first recognition. I do not think this title has any proper place in the bill. I can think of only one reason for it, and that is political. There are two good reasons against it. The gentleman from Georgia gave them perhaps better than I can.

The gentleman from Ohio [Mr. BURTON] on the second day of the debate, I believe, quoted from a number of authorities, political economists, specialists on the subject of taxation, all of whom said that all taxes, and especially all income taxes, are passed on to the consumers. Every expert in this House who has spoken during this debate, without any exception, has asserted the same principle—that taxes are passed on to the consumer—and I think we may as well accept that as a settled proposition. Those who are to pay income taxes for this year have already adjusted their businesses upon the basis of the present tax rates. They have anticipated that they would have to pay their income taxes under existing rates, and they have collected the taxes as far as they could from the consumers. The only ones I know of to whom this would not apply are those who have to pay an income tax on their salaries.

Mr. DAVIS of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. DENISON. I have not the time. I do not think we ought to now make a present to those who are to pay these taxes of this $332,000,000, instead of $326,000,000, as stated by the gentleman from Georgia. I think we ought to go ahead and collect this year's taxes and hold the money in the Treasury, because the people who really have to pay it have already paid it, and the Government ought to keep it. [Applause.]

I want to speak briefly of the other reason why I do not think this provision ought to remain in the bill. The time has come when we have to settle this question of adjusted compensation for the ex-service men. Congress can not avoid that question any longer, and we can not pass adjusted-compensation legislation without having some cash with which to pay it. We are here talking about the proposition of returning back to the business men of the country $332,000,000 which they have already collected from the consumers instead of retaining it in the Treasury and having it available to meet a part of the first cash that will be required if we pass the adjusted compensation law. In that connection, I take this opportunity, with the indulgence of the House, to say that there is not any doubt in my judgment, but that this Congress is going to pass an adjusted compensation bill. It is going to do it just as certain as day follows night, and it will be done within the next two weeks. It will be passed by this House by an overwhelming majority. [Applause.] It is also going to pass the Senate by an overwhelming majority and it will be sent to the President. I do not think he will veto it. The President has not said that he would veto a bill of that kind. I do not think he will. I think it will become a law with his approval. But if he should veto it, it will come back to this House and more than two-thirds of this House are going to vote to pass it over his veto. [Applause.]

I think the same thing will happen in the Senate, and then we are going to have to raise the money to pay it. Here is an opportunity to meet that problem at least in part. Why not let us do it? Let us not resort to this provision in the bill to play a little politics. It is, of course, a nice thing to hand this money back to the income-tax payers. I will get some of it myself if this provision of the bill is not stricken out; and I am one of those few who can not pass it on to others, because I am working for a salary. The income tax that I pay comes out of the salary that I get as a Member of Congress. It is a very nice thing to hand $332,000,000 back to the business interests. Of course, they would all like to have it, but there is no justification for it. They have all adjusted their business to the present tax law, and they have already collected the money with which to pay the taxes. [Applause.]

Mr. Chairman, my position with reference to adjusted-compensation legislation is well known in this House, and my attitude toward the ex-service men is just as well known. The committee of which I am a member reported every law that has been passed by Congress for the benefit of the ex-service men while they were in the service and for their benefit and the benefit of their families and dependents since they left the service; and I have supported every one of these measures. I voted for the adjusted compensation bill in the Sixty-seventh Congress. I was one of the first Members that spoke for it in this Chamber. I voted to pass it over the President's veto.

In Illinois we passed a State bonus law that has cost us $50,000,000. I spoke and voted for that measure. I have repeatedly stated on public occasions that I am still in favor of the enactment of an adjusted compensation law by the Federal Government and that I believe it should be passed as soon as possible.

Our Government has gone too far in adjusting losses that have resulted from the late war to now refuse to adjust as far as possible the meager compensation that was paid to those who went to the front. We have adjusted the losses sustained by the railroads to the extent of over a billion dollars. We have adjusted the losses sustained by industrial concerns who had contracts or entered upon extensive enterprises in contemplation of the demands of the Government as a result of the war. The ex-service men feel that we should adjust their compensation, and I think they are right. I am going to vote for an adjusted compensation bill when it is presented, and will vote to pass it over the veto if it should be vetoed.

Notwithstanding my record, which has been consistently favorable to the interests of the ex-service men, and although my attitude ought to have been well known, some persons for political reasons have recently spread the report in my district that my attitude toward adjusted compensation was uncertain. They have even told that I voted against the adjusted compensation bill in the last Congress, and as a result of these untrue reports I have received a number of telegrams and letters from the ex-service men of my district. This, I presume, is an injustice which many of you have had to contend with and which all who are in public office must some time suffer. I shall ignore it, for I know that within a very short time my record here will convince my constituents better than anything I could say of my continued interest in the welfare of the ex-service men of the country.

And now we have an opportunity to save $332,000,000 for the Treasury with which to meet the first cash payments that may be required under the adjusted compensation law, if one is enacted. If we leave this provision in the bill, it will amount practically to the Government handing over to the income-tax payers a bonus of that amount, because, as I have said, they have already collected it from the others so far as they could do so. I do not think we ought to do that. We are doing a splendid thing for the income-tax payers of the country by the radical reductions in the income-tax rates in other provisions of the bill. That will not only be a good thing for them but for the entire country. Let us strike out this provision of the bill and collect this money and get ready to settle, as far as we can, our obligation to the ex-service men.

Mr. GREEN of Iowa. Mr. Chairman, I hope that nothing that I say will be construed in any way as a reflection upon my distinguished friend from Georgia [Mr. CRISP]. Yet I can not but remark on the extraordinary change of front of gentlemen on the other side who have all along been contending that the income taxes could not be passed on and who now say that they are passed on, and that, therefore, they do not want a reduction made in the taxes to be paid this year. Members, of course, understand that this provision does not apply to corporation taxes but merely to the personal income taxes and these taxes can not be passed on.

There are not more than two or three men on the side of the gentleman from Georgia that believe in that doctrine. Every man in this House knows that I have never believed in it, and I have contended against it before.

The gentleman from Illinois [Mr. DENNISON] said that the distinguished gentleman from Ohio [Mr. BURTON] cited authorities showing that the personal income tax is passed on. I read the speech of the gentleman from Ohio with great care. The opinions which he cited were taken from works written before the income tax was instituted. They did not contain the slightest reference to income taxes.

In this day I do not know of an economist of any standing who claims that personal income taxes are passed on. Anyone who advanced such theories in England would be ridiculed. Indeed, it is perfectly evident that if personal income taxes are passed on to the final consumer the income tax ought to be taken off and instead of the complicated system of income taxes under which taxes are so often evaded we should have a sales tax. There is no escape from the logic of this position. Some two years ago a campaign was instituted all over the country, and since followed up by page advertisements, costing enormous amounts totaling altogether many millions of dollars, in an attempt to make the public believe that these taxes were passed on to the final consumer. As a result, many have come to believe in this doctrine and repeat it in good faith. There is no question but that the ultimate object and purpose of those who have been carrying on this propaganda is to do away with the income tax entirely and substitute consumption taxes instead.

The technical features of this matter may not be fully understood, but it should be apparent to everyone that if these taxes were passed on to the final consumer those who are now paying them would not be spending so much money and making such a tremendous effort as has recently been done in flooding the country with propaganda.

Prof. Thomas S. Adams, professor of economics at Yale University, has been quoted as a high authority on taxation by the

gentleman from New York [Mr. MILLS]. On this question he says:

Taxes on profits do not shift to consumers. Most economists hold that income and profit taxes are shifted only in part, and economic theory leads to the conclusion, I think, that income taxes, particularly taxes on differential net income or excess profits, are unusually difficult to pass along. (Needed Tax Reform, p. 21.)

The repeated charge that business men figure income taxes as part of their cost and then charge the customary percentage of profit on the increased cost basis is next to absurd. If it were true, it would only be necessary for Congress to increase the income and excess profits taxes in order to increase business profits. Taxes were responsible only in minor degree for the high cost of living. The cost of living went up before tax rates were increased, it stayed up when tax rates were reduced, and it will come down in the future whether tax rates be increased or reduced. (Quarterly Journal of Economics, August, 1921, p. 550.)

The National Industrial Conference Board, as a result of an investigation made by its staff economic counsel, and careful research, reported:

If the tax on net profits is a general one, sound economic thinking must inevitably lead to the conclusion that the tax can hardly be shifted. Net profits constitute a surplus of price over costs, and since the net profits tax reaches this surplus, it is manifest that the tax can not affect costs. The producer almost invariably bears the burden of the tax under ordinary conditions.

The Government has for several years been refunding hundreds of millions in taxes erroneously collected. If they have already been passed on to the consumer, these refunds ought not to be made. In this particular case the Government has not collected the money, and the passage of this bill settles that if collected it will be refunded.

If such taxes can be passed on, every certified accountant who ever made up an account for a corporation has made up his account wrongly, because he never took into consideration the income taxes of gentlemen who owned stock in that corporation, nor would he, if he were making up the balance sheet of a partnership, do anything different. No balance sheet of any business is ever made up so as to include individual income taxes.

Something has been said in this connection about the soldiers' adjusted compensation. There is no man on this floor that is more loyal to the principle of adjusted compensation than I am. [Applause.] Every Member of this House knows that I was chairman of the subcommittee that wrote the former bill. I assisted in every way possible in putting it through the House and passing over the President's veto. I made a speech in favor of it in which I made my position clear, and I now stand where I always stood upon it. But the adoption of this provision will not affect the soldiers' adjusted compensation in the least. It is believed that this bill will take out of the Treasury $232,000,000. After all is taken out including the amount of excise taxes repealed there will still remain under any calculation more than $100,000,000 surplus for this calendar year. Let me say to gentlemen on this side and gentlemen on the other side that I have in my possession a letter from the Secretary of War telling us that when the Adjusted Compensation Act is passed it could not possibly be put in effect until nine months thereafter. You will therefore have $100,000,000 surplus on hand at the end of this calendar year to start the bonus. It will be more than anything we will authorize for the next year on account of the bonus. You will have on hand in the Treasury enough money to pay the first year of adjusted compensation. If you do not have it after that, it will depend on the form of this revenue bill, after it is passed by the Senate and agreed to in conference and ratified finally by both House and Senate.

Mr. HASTINGS. Mr. Chairman, will the gentleman yield?

Mr. GREEN of Iowa. Yes.

Mr. HASTINGS. It has been repeatedly stated on that side of the House that if this bill passes there will be a deficit of from $300,000,000 to $600,000,000.

Mr. GREEN of Iowa. I am not responsible for that statement.

Mr. HASTINGS. You do not agree to that?

Mr. GREEN of Iowa. I agree that it will produce a deficit as it now stands, but I expect to see the bill amended so that it will not before it finally passes this House. In any event it does not affect that question in the least. The gentleman is talking about a matter that the provision under discussion does not affect, and which does not affect this provision; that is, taxes to be paid in 1925 and thereafter. We are talking now about the taxes that are to be paid this year. There is not any reason in the world why they should not be taken off.

The CHAIRMAN. The time of the gentleman from Iowa has expired.

Mr. CHINDBLOM. I do not want to object, but would there be any time left?

The CHAIRMAN. The situation is this, gentlemen: There has now been used 17 minutes. Thirteen minutes remain. There are two preferential motions to be voted on and another one that is still pending. With the debate on that, it will take the entire 13 minutes, so that if there is an extension of time the limit should be extended. Is there objection to the request of the gentleman from Iowa?

Mr. STENGLE. Reserving the right to object, Mr. Chairman, if the gentleman will not object to answering a few questions as he goes on, I shall not object.

Mr. GREEN of Iowa. I will accommodate the gentleman.

Mr. CLARKE of New York. I object.

The CHAIRMAN. Objection is made. The question is on agreeing to the perfecting amendment offered by the gentleman from New York [Mr. O'CONNOR].

The question was taken; and the chairman announced that the noes seemed to have it.

Mr. O'CONNOR of New York. Mr. Chairman, I ask for a division.

The CHAIRMAN. A division is demanded.

The committee divided; and there were—ayes 102, noes 153.

So the amendment was rejected.

Mr. SIMMONS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from Nebraska offers a perfecting amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. SIMMONS: Page 238, line 7, after the word "by," strike out "Part I" and insert "Sec. 210, Part II."

Mr. SIMMONS. Mr. Chairman and gentlemen of the committee, I think I can state this amendment very briefly. The gentleman from Georgia [Mr. CRISP] has proposed an amendment that strikes out this entire title on the ground that these taxes have already been passed on to the consuming public and that this is a bonus given to the big taxpayer. The payer of a tax on a small income who pays a normal tax, in my judgment, has not been able and is not able to pass on that tax to anyone else. He pays it. The amendment which I offer will limit the provisions of this title to the normal tax only, giving 25 per cent reduction to those who pay the normal tax. It will leave the surtaxes as they are now, so that the argument of the gentleman from Georgia will apply to the amendment that I am offering. By this amendment we will be able to give this 25 per cent reduction to the taxpayer who pays the normal income tax, a tax which he is not able to pass on, and a reduction to which he is entitled.

Mr. CHINDBLOM. Mr. Chairman——

The CHAIRMAN. The gentleman from Illinois is recognized.

Mr. CHINDBLOM. Mr. Chairman, I will detain the committee only a couple of minutes to make a brief observation. Historically it is not true that the 1923 taxes have been passed on or could have been passed on by the taxpayer. These taxes will be assessed and determined according to the act of 1921. That act was passed on November 23, 1921, and went back in its operation to January 1, 1921. So that under that act the 1921 taxes, paid in 1922, could not have been passed on prior to the passage of the act.

The act of 1918 was passed on February 4, 1919, and was made effective January 1, 1918. The act of 1917 was passed on October 3, 1917, and was made effective on January 1, 1917. The act of 1916 was passed on September 8, 1916, and was made effective on January 1, 1916; and the first act, which carried a very small income tax, was passed in October, 1913, and went back in its operation and in the determination of income to March 1, 1913. Therefore, from the very beginning it has not been historically true, and it is not true as a fact, that the taxes paid in a particular year were passed on during the preceding year for which the taxes are being paid.

Mr. LONGWORTH. Mr. Chairman, in a very few moments this bill will come to its voting stage in the House, and in just a word I want to explain the parliamentary situation.

The bill having been reported to the House, the gentleman from Iowa [Mr. GREEN] will move the previous question on such amendments as were adopted in committee up to, but not including, the Garner amendment. If the previous question be voted—and I think no one will object to it—those amendments will be disposed of. Thereupon the question comes on the amendment of the gentleman from Texas [Mr. GARNER]. I am not advised as to whether the gentleman from Texas proposes to move the previous question or not. If he should, it would be very vital for those who desire to vote for some substitute for the Garner rate to vote down the previous question. If, how-

ever, the gentleman from Texas does not move it, or some other gentleman on that side, then the Garner rates will be open to amendment.

As I understand it, the gentleman from Oregon [Mr. HAWLEY] will offer as a substitute for the Garner rate the rate as substantially contained in the bill reported by the committee, the maximum rate of 25 per cent. This will give an opportunity for the gentlemen who desire to be recorded in favor of the 25 per cent surtax to so record themselves. In the event of the defeat of the amendment of the gentleman from Oregon—which seems likely—I shall then offer the amendment which was yesterday printed in the CONGRESSIONAL RECORD. The issue then will be between the rates as proposed by the gentleman from Texas and the rates proposed by this substitute.

Mr. GARNER of Texas. Will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. GARNER of Texas. Before we take that vote or go into the House, would the gentleman mind giving us whatever information he has had from the White House as to the President's opinion of the compromise plan?

Mr. LONGWORTH. I would have no objection whatever to telling the gentleman that I have received no intimation whatever.

Mr. GARNER of Texas. Has the gentleman talked to the White House about the letter that the President proposed to write to the gentleman from Iowa or the gentleman from Ohio?

Mr. LONGWORTH. I have not, because I have no knowledge of any such letter. [Applause.]

The CHAIRMAN. The question is now on the amendment offered by the gentleman from Nebraska [Mr. SIMMONS].

The question was taken; and on a division (demanded by Mr. SIMMONS) there were—ayes 120, noes 140.

So the amendment was rejected.

The CHAIRMAN. Are there any other perfecting amendments to be offered? [Cries of "Vote!" "Vote!"] The question is now on the amendment offered by the gentleman from Georgia [Mr. CRISP].

The question was taken; and the Chair being in doubt, the committee divided, and there were—ayes 145, noes 150.

Mr. CRISP. Mr. Chairman, I ask for tellers.

Tellers were ordered; and the Chairman appointed as tellers Mr. GREEN of Iowa and Mr. CRISP.

The committee again divided; and the tellers reported—ayes 145, noes 181.

So the amendment was rejected.

Mr. GREEN of Iowa. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. GRAHAM of Illinois, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 6715) to reduce and equalize taxation, to provide revenue, and for other purposes, had directed him to report the same back to the House with sundry amendments, with the recommendation that the amendments be agreed to and that the bill as amended do pass.

Mr. GREEN of Iowa. Mr. Speaker, I move the previous question on all amendments to the bill H. R. 6715, the revenue bill, up to and including line 17 on page 29.

The SPEAKER. The gentleman from Iowa makes a motion, which the Clerk will report.

The Clerk read as follows:

Mr. GREEN of Iowa moves the previous question on all amendments up to and including line 17 on page 29.

Mr. BLANTON. Mr. Speaker, just to get the ruling of the Chair, I make the point of order that it is improper to separate a motion for the previous question.

The SPEAKER. The Chair overrules the point of order. The question is now on the motion of the gentleman from Iowa.

The motion was agreed to, and the previous question was ordered.

The SPEAKER. Is a separate vote demanded on any of the first amendments?

Mr. MONTAGUE. Mr. Speaker, I ask a separate vote on amendment No. 31, page 152, relating to the tax on cigarettes.

The SPEAKER. That is not one of the amendments. These are only the first six amendments. Is there a separate vote demanded on any of these amendments?

Mr. TREADWAY. Mr. Speaker, I ask for a separate vote on page 26, line 9, the Garner amendment to the committee amendment which removes stock dividends from the term "capital assets."

The SPEAKER. The gentleman from Massachusetts asks a separate vote on the amendment referred to. Is a separate vote demanded on any other of these amendments?

Mr. TREADWAY. Also, Mr. Speaker, on page 28, at the end of the line, an amendment offered by the gentleman from Texas [Mr. GARNER] with reference to earned income.

The SPEAKER. Is there a separate vote demanded on any other amendment?

Mr. BEGG. Mr. Speaker, I want to make an inquiry. I want to ask for separate votes on amendments 5 and 6 on page 21, and I can not tell whether they are covered by the previous question or not.

The SPEAKER. Yes; they were included.

Mr. BEGG. Then I ask for a separate vote on those.

The SPEAKER. Is there a separate vote demanded on any of the other amendments? If not, the Chair will put them en bloc. The question is on agreeing to the other amendments.

The question was taken, and the other amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment No. 4: Page 26, line 9, after the word "property," strike out the remainder of the line and insert in lieu thereof the following:

Mr. GREEN of Iowa. Mr. Speaker, that was a committee amendment. That is not the one they wanted the vote on.

Mr. TREADWAY. It is the amendment following the committee amendment.

The SPEAKER. The Chair is informed that the amendment to which the gentleman refers was an amendment to the committee amendment, and of course no separate vote can be had on that.

Mr. CHINDBLOM. It was an amendment following the committee amendment, as I recall it.

The SPEAKER. The Chair is informed it was in addition to the amendment. The Clerk will report it.

The Clerk read as follows:

Page 26, amendment by Mr. GARNER of Texas to the committee amendment——

The SPEAKER. If it is an amendment to the committee amendment, no separate vote can be had on it.

Mr. TREADWAY. Then I withdraw the request on that amendment.

The SPEAKER. The gentleman withdraws the request, and the Clerk will report the next amendment.

Mr. SANDERS of Indiana. Mr. Speaker, a parliamentary inquiry. Since the other amendments were voted on en gross and this amendment as amended has not been adopted, should it not be voted on?

The SPEAKER. Yes; the Chair thinks the gentleman is right.

The question was taken, and the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment on which a separate vote is demanded.

The Clerk read as follows:

Amendment No. 5: At the end of line 6, on page 28, insert "earned income also means reasonable compensation or allowance for personal services, where income is derived from combined personal services and capital in the prosecution by unincorporated persons of agricultural or other business."

The SPEAKER. The question is on the amendment.

The question was taken, and the Speaker announced that the noes appeared to have it.

Mr. GARNER of Texas. I demand a division, Mr. Speaker.

While the committee was dividing, the following occurred:

Mr. GARNER of Texas. Mr. Speaker, in order to save time, I will ask for the yeas and nays on this amendment so that we can have a record vote.

Mr. LONGWORTH. We will not ask for the yeas and nays over here, I will say to the gentleman.

Mr. GARNER of Texas. We will.

The yeas and nays were ordered.

The question was taken; and there were—yeas 267, nays 144, answered "present" 2, not voting 18, as follows:

YEAS—267.

Abernethy	Ayres	Bland	Boylan
Allen	Bankhead	Blanton	Brand, Ga.
Allgood	Barbour	Bloom	Briggs
Almon	Barkley	Boies	Browne, N. J.
Anderson	Beck	Bowling	Browne, Wis.
Arnold	Bell	Box	Browning
Aswell	Black, N. Y.	Boyce	Buckley

Bulwinkle	Glatfelter	McNulty	Sandlin
Burtness	Goldsborough	McReynolds	Schafer
Busby	Greenwood	McSwain	Schall
Byrnes, S. C.	Griffin	McSweeney	Schneider
Byrns, Tenn.	Harrison	Major, Ill.	Scott
Canfield	Hastings	Major, Mo.	Sears, Fla.
Cannon	Haugen	Mansfield	Sears, Nebr.
Carew	Hawes	Martin	Shallenberger
Carter	Hayden	Mead	Sherwood
Casey	Hill, Ala.	Michener	Simmons
Celler	Hill, Wash.	Miller, Wash.	Sinclair
Christopherson	Hoch	Milligan	Sinnott
Clague	Hooker	Minahan	Sites
Clancy	Howard, Nebr.	Montague	Smith
Clark, Fla.	Howard, Okla.	Mooney	Smithwick
Cleary	Hudspeth	Moore, Ga.	Sproul, Kans.
Collier	Hull, Iowa	Moore, Ohio	Steagall
Collins	Hull, Tenn.	Moore, Va.	Stedman
Colton	Humphreys	Morehead	Stengle
Connally, Tex.	Jacobstein	Morgan	Stevenson
Connery	James	Morris	Strong, Kans.
Cook	Jeffers	Morrow	Sullivan
Cooper, Wis.	Johnson, Ky.	Murphy	Summers, Wash.
Cramton	Johnson, S. Dak.	Nelson, Wis.	Sumners, Tex.
Crisp	Johnson, Tex.	Nolan	Swank
Croll	Johnson, W. Va.	O'Brien	Swing
Crosser	Jones	O'Connell, N. Y.	Tague
Cullen	Jost	O'Connell, R. I.	Taylor, Tenn.
Cummings	Keller	O'Connor, La.	Taylor, W. Va.
Davey	Kelly	O'Connor, N. Y.	Thomas, Okla.
Davis, Minn.	Kent	O'Sullivan	Thompson
Davis, Tenn.	Kerr	Oldfield	Tillman
Deal	Ketcham	Oliver, Ala.	Tucker
Dickinson, Iowa	Kincheloe	Oliver, N. Y.	Tydings
Dickinson, Mo.	Kindred	Park, Ga.	Underwood
Dickstein	King	Parks, Ark.	Upshaw
Dominick	Knutson	Peavey	Vincent, Mich.
Doughton	Kunz	Peery	Vinson, Ga.
Dowell	Kvale	Porter	Vinson, Ky.
Doyle	LaGuardia	Pou	Voigt
Drane	Lampert	Prall	Ward, N. C.
Drewry	Lanham	Quayle	Watkins
Driver	Lankford	Quin	Weaver
Eagan	Larsen, Ga.	Ragon	Wefald
Evans, Mont.	Lazaro	Rainey	Weller
Fairfield	Lea, Calif.	Raker	White, Kans.
Favrot	Leavitt	Rankin	Williams, Ill.
Fisher	Lee, Ga.	Rayburn	Williams, Mich.
Fitzgerald	Lilly	Reece	Williams, Tex.
Foster	Lindsay	Reed, Ark.	Williamson
Frear	Linthicum	Reid, Ill.	Wilson, Ind.
Fulbright	Little	Richards	Wilson, Miss.
Fulmer	Logan	Robinson, Iowa	Wingo
Garber	Lowrey	Robsion, Ky.	Winter
Gardner, Ind.	Lozier	Rogers, N. H.	Wolff
Garner, Tex.	Lyon	Romjue	Woodruff
Garrett, Tenn.	McClintic	Rubey	Woodrum
Garrett, Tex.	McDuffie	Sabath	Wright
Gasque	McKeown	Salmon	Wurzbach
Gilbert	McLaughlin, Nebr.	Sanders, Tex.	

NAYS—144.

Ackerman	Fish	McFadden	Seger
Aldrich	Fleetwood	McKenzie	Shreve
Andrew	Fredericks	McLaughlin, Mich.	Snell
Anthony	Free	McLeod	Snyder
Bacharach	Freeman	MacGregor	Speaks
Bacon	French	MacLafferty	Sproul, Ill.
Beedy	Frothingham	Madden	Stalker
Beers	Fuller	Magee, N. Y.	Stephens
Begg	Gibson	Magee, Pa.	Strong, Pa.
Bixler	Gifford	Manlove	Sweet
Brand, Ohio	Graham, Ill.	Mapes	Swoope
Britten	Graham, Pa.	Merritt	Taber
Brumm	Green, Iowa	Michaelson	Temple
Burdick	Greene, Mass.	Miller, Ill.	Thatcher
Burton	Griest	Mills	Tilson
Butler	Hadley	Moore, Ill.	Timberlake
Cable	Hardy	Moores, Ind.	Tincher
Campbell	Hawley	Morin	Tinkham
Chindblom	Hickey	Nelson, Me.	Treadway
Clarke, N. Y.	Hill, Md.	Newton, Minn.	Underhill
Cole, Iowa	Holaday	Newton, Mo.	Valle
Cole, Ohio	Huddleston	Paige	Vestal
Connolly, Pa.	Hudson	Parker	Wainwright
Cooper, Ohio	Hull, Morton D.	Patterson	Ward, N. Y.
Crowther	Hull, William E.	Perkins	Wason
Curry	Johnson, Wash.	Perlman	Watres
Dallinger	Kearns	Phillips	Watson
Darrow	Kendall	Purnell	Welsh
Denison	Kiess	Ramseyer	Wertz
Dyer	Kurtz	Ransley	White, Me.
Edmonds	Langley	Rathbone	Winslow
Elliott	Larson, Minn.	Reed, N. Y.	Wood
Evans, Iowa	Leatherwood.	Roach	Wyant
Fairchild	Lehlbach	Rogers, Mass.	Yates
Faust	Lineberger	Sanders, Ind.	Young
Fenn	Longworth	Sanders, N. Y.	Zihlman

ANSWERED "PRESENT"—2.

Gallivan	Luce

NOT VOTING—18.

Berger	Funk	Kopp	Thomas, Ky.
Black, Tex.	Geran	Reed, W. Va.	Vare
Buchanan	Hammer	Rosenbloom	Wilson, La.
Corning	Hersey	Rouse	
Dempsey	Kahn	Taylor, Colo.	

So the amendment was agreed to.

The Clerk announced the following pairs:

On this vote:

Mr. Rouse (for) with Mr. Kahn (against).
Mr. Gallivan (for) with Mr. Vare (against).
Mr. Wilson of Louisiana (for) with Mr. Funk (against).
Mr. Berger (for) with Mr. Reed of West Virginia (against).
Mr. Buchanan (for) with Mr. Hersey (against).
Mr. Black of Texas (for) with Mr. Luce (against).
Mr. Thomas of Kentucky (for) with Mr. Dempsey (against).
Mr. Geran (for) with Mr. Rosenbloom (against).

Mr. GALLIVAN. Mr. Speaker, on this roll call I voted in the affirmative. I am paired with Mr. VARE, who, if he were present, would vote "no." Therefore I withdraw my vote and vote "present."

The SPEAKER. This completes the amendments on which a separate vote was demanded.

Mr. HAWLEY. Mr. Speaker, I offer the following amendment to the amendment of the gentleman from Texas [Mr. GARNER] to perfect sections 210, 211, and 266, subdivision (c).

The SPEAKER. The gentleman from Oregon offers an amendment to the Garner amendment.

Mr. GARRETT of Tennessee. A paliamentary inquiry, Mr. Speaker. On what page of the bill?

Mr. CHINDBLOM. It is not in the bill.

The SPEAKER. It is a substitute for the Garner amendment.

Mr. GARRETT of Tennessee. The Garner amendment is in the bill up to date.

The SPEAKER. Not in the printed bill.

Mr. HAWLEY. The Garner amendment was submitted in the form of a printed bill. This is a substitute. For convenience, it refers to the printed Garner amendment.

The SPEAKER. The Clerk will report the amendment.

The Clerk read as follows:

Amendment offered by Mr. HAWLEY to the Garner amendment: Page 1 of amendment No. 7 (the Garner amendment), line 8, after the word "every," strike out the remainder of the line, and all of line 9, and pages 2 to 7, inclusive, of said amendment, and insert in lieu thereof the following:

"individual (except as provided in subdivision (b) of this section) a normal tax of 6 per cent of the amount of the net income in excess of the credits provided in section 216, except that in the case of a citizen or resident of the United States the rate upon the first $4,000 of such excess amount shall be 3 per cent.

"(b) In lieu of the tax imposed by subdivision (a) there shall be levied, collected, and paid for each taxable year upon the net income of every nonresident alien individual, a resident of a contiguous country, a normal tax equal to the sum of the following:

"(1) Three per cent of the amount of the net incomes attributable to wages, salaries, professional fees, or other amounts received as compensation for personal services actually performed in the United States in excess of the credits provided in subdivisions (d) and (e) of section 216; but the amount taxable at such 3 per cent rate shall not exceed $4,000; and

"(2) Six per cent of the amount of the net income in excess of the sum of (A) the amount taxed under paragraph (1) plus (B) the credits provided in section 216."

Strike out lines 19 to 25, inclusive, page 30; lines 1 to 24, inclusive, page 31; lines 1 to 26, inclusive, page 32; lines 1 to 7, inclusive, page 33; and insert in lieu thereof the following:

SURTAX.

SEC. 211. (a) In lieu of the tax imposed by section 211 of the revenue act of 1921, but in addition to the normal tax imposed by section 210 of this act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a surtax equal to the sum of the following:

"One per cent of the amount by which the net income exceeds $10,000 and does not exceed $12,000;

"Two per cent of the amount by which the net income exceeds $12,000 and does not exceed $16,000;

"Three per cent of the amount by which the net income exceeds $16,000 and does not exceed $18,000;

"Four per cent of the amount by which the net income exceeds $18,000 and does not exceed $20,000;

"Five per cent of the amount by which the net income exceeds $20,000 and does not exceed $22,000;

"Six per cent of the amount by which the net income exceeds $22,000 and does not exceed $24,000;

"Seven per cent of the amount by which the net income exceeds $24,000 and does not exceed $26,000;

"Eight per cent of the amount by which the net income exceeds $26,000 and does not exceed $28,000;

"Nine per cent of the amount by which the net income exceeds $28,000 and does not exceed $30,000;

"Ten per cent of the amount by which the net income exceeds $30,000 and does not exceed $32,000;

"Eleven per cent of the amount by which the net income exceeds $32,000 and does not exceed $34,000;

"Twelve per cent of the amount by which the net income exceeds $34,000 and does not exceed $36,000;

"Thirteen per cent of the amount by which the net income exceeds $36,000 and does not exceed $38,000;

"Fourteen per cent of the amount by which the net income exceeds $38,000 and does not exceed $40,000;

"Fifteen per cent of the amount by which the net income exceeds $40,000 and does not exceed $46,000;

"Sixteen per cent of the amount by which the net income exceeds $46,000 and does not exceed $52,000;

"Seventeen per cent of the amount by which the net income exceeds $52,000 and does not exceed $58,000;

"Eighteen per cent of the amount by which the net income exceeds $58,000 and does not exceed $64,000;

"Nineteen per cent of the amount by which the net income exceeds $64,000 and does not exceed $70,000;

"Twenty per cent of the amount by which the net income exceeds $70,000 and does not exceed $76,000;

"Twenty-one per cent of the amount by which the net income exceeds $76,000 and does not exceed $82,000;

"Twenty-two per cent of the amount by which the net income exceeds $82,000 and does not exceed $88,000;

"Twenty-three per cent of the amount by which the net income exceeds $88,000 and does not exceed $94,000;

"Twenty-four per cent of the amount by which the net income exceeds $94,000 and does not exceed $100,000;

"Twenty-five per cent of the amount by which the net income exceeds $100,000.

"(b) In the case of a bona fide sale of mines, oil or gas wells, or any interest therein, where the principal value of the property has been demonstrated by prospecting or exploration and discovery work done by the taxpayer, the portion of the tax imposed by this section attributable to such sale shall not exceed 16 per cent of the selling price of such property or interest."

Mr. GARRETT of Tennessee. Mr. Speaker, a parliamentary inquiry. Does this proposed amendment follow exactly the provisions that were in the bill as reported from the Committee on Ways and Means?

Mr. HAWLEY. The amendment changes some 12 or 14 brackets between the upper and lower brackets.

Mr. GARNER of Texas. In other words, you changed the Mellon plan to the point where you can get in from a parliamentary standpoint?

Mr. HAWLEY. I have stated what we have done.

Mr. SEARS of Florida. Is this the Hawley plan, the Longworth plan, or the Mellon plan, or what is it?

Mr. MADDEN. Mr. Chairman, I would like to ask the gentleman whether the amendment he proposes will in effect give to those Members of the House who wish to vote that way a chance to vote for the administration measure known as the Mellon plan.

Mr. HAWLEY. I was about to say when the gentleman interrupted that you can vote directly for the Mellon plan making such changes in a few brackets as will make it a parliamentary proposition.

Mr. MADDEN. Hooray! [Laughter.]

Mr. HAWLEY. Mr. Speaker, I move the previous question on the amendment.

Mr. GARRETT of Tennessee. I wish the gentleman would withhold that; I just want to make an observation on the statement of the gentleman from Illinois. I understand that this is a further demonstration of the effort of that side of the House to pyramid their incapacities. [Laughter.]

The SPEAKER. The question is on ordering the previous question on the amendment.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the amendment offered by the gentleman from Oregon.

Mr. HAWLEY. And on that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 153, nays 261, answered "present" 3, not voting 14, as follows:

YEAS—153.

Ackerman	Bixler	Cable	Cooper, Ohio
Aldrich	Brand, Ohio	Campbell	Crowther
Andrew	Britten	Chindblom	Dallinger
Bacharach	Browne, N. J.	Clarke, N. Y.	Darrow
Bacon	Brumm	Cole, Iowa	Denison
Beedy	Burdick	Cole, Ohio	Dyer
Beers	Burton	Colton	Edmonds
Begg	Butler	Connolly, Pa.	Elliott
Fairchild	Kendall	Newton, Minn.	Taber
Fairfield	Kiess	Newton, Mo.	Taylor, Tenn.
Faust	Kurtz	Paige	Temple
Fenn	Langley	Parker	Thatcher
Fish	Larson, Minn.	Patterson	Thompson
Fleetwood	Leatherwood	Perkins	Tilson
Foster	Lehlbach	Perlman	Timberlake
Fredericks	Longworth	Phillips	Tinkham
Free	McFadden	Porter	Treadway
Freeman	McKenzie	Purnell	Underhill
French	McLaughlin, Mich.	Ransley	Vaile
Frothingham	McLeod	Reece	Vestal
Fuller	MacGregor	Reed, N. Y.	Vincent, Mich.
Garber	MacLafferty	Roach	Wainwright
Gibson	Madden	Rogers, Mass.	Ward, N. Y.
Gifford	Magee, N. Y.	Rosenbloom	Wason
Graham, Ill.	Magee, Pa.	Sanders, Ind.	Watres
Graham, Pa.	Manlove	Sanders, N. Y.	Watson
Greene, Mass.	Mapes	Scott	Welsh
Griest	Merritt	Seger	Wertz
Hadley	Michener	Shreve	White, Me.
Hardy	Miller, Ill.	Sinnott	Williams, Ill.
Hawley	Miller, Wash.	Smith	Williams, Mich.
Hickey	Mills	Snell	Winslow
Hill, Md.	Moore, Ill.	Snyder	Wood
Holaday	Moore, Ohio	Sproul, Ill.	Wurzbach
Hudson	Moores, Ind.	Stalker	Wyant
Hull, Morton D.	Morgan	Stephens	Young
Hull, William E.	Morin	Strong, Pa.	
Johnson, Wash.	Murphy	Sweet	
Kearns	Nelson, Me.	Swoope	

NAYS—261.

Abernethy	Doughton	Lanham	Reid, Ill.
Allen	Dowell	Lankford	Richards
Allgood	Doyle	Larsen, Ga.	Robinson, Iowa
Almon	Drane	Lazaro	Robsion, Ky.
Anderson	Drewry	Lea, Calif.	Rogers, N. H.
Anthony	Driver	Leavitt	Romjue
Arnold	Eagan	Lee, Ga.	Rubey
Aswell	Evans, Iowa	Lilly	Sabath
Ayres	Evans, Mont.	Lindsay	Salmon
Bankhead	Favrot	Lineberger	Sanders, Tex.
Barbour	Fisher	Linthicum	Sandlin
Barkley	Fitzgerald	Little	Schafer
Beck	Frear	Logan	Schall
Bell	Fulbright	Lowrey	Schneider
Black, N. Y.	Fulmer	Lozier	Sears, Fla.
Bland	Gardner, Ind.	Lyon	Sears, Nebr.
Blanton	Garner, Tex.	McClintic	Shallenberger
Bloom	Garrett, Tenn.	McDuffie	Sherwood
Boies	Garrett, Tex.	McKeown	Simmons
Bowling	Gasque	McLaughlin, Nebr.	Sinclair
Box	Geran	McNulty	Sites
Boylan	Gilbert	McReynolds	Smithwick
Brand, Ga.	Glatfelter	McSwain	Speaks
Briggs	Goldsborough	McSweeney	Sproul, Kans.
Browne, Wis.	Green, Iowa	Major, Ill.	Steagall
Browning	Greenwood	Major, Mo.	Stedman
Buchanan	Griffin	Mansfield	Stengle
Buckley	Hammer	Martin	Stevenson
Bulwinkle	Harrison	Mead	Strong, Kans.
Burtness	Hastings	Michaelson	Sullivan
Busby	Haugen	Milligan	Summers, Wash.
Byrnes, S. C.	Hawes	Minahan	Sumners, Tex.
Byrns, Tenn.	Hayden	Montague	Swank
Canfield	Hill, Ala.	Mooney	Swing
Cannon	Hill, Wash.	Moore, Ga.	Tague
Carew	Hoch	Moore, Va.	Taylor, W. Va.
Carter	Hooker	Morehead	Thomas, Okla.
Casey	Howard, Nebr.	Morris	Tillman
Celler	Howard, Okla.	Morrow	Tincher
Christopherson	Huddleston	Nelson, Wis.	Tucker
Clague	Hudspeth	Nolan	Tydings
Clancy	Hull, Tenn.	O'Brien	Underwood
Clark, Fla.	Hull, Iowa	O'Connell, N. Y.	Upshaw
Cleary	Humphreys	O'Connell, R. I.	Vinson, Ga.
Collier	Jacobstein	O'Connor, La.	Vinson, Ky.
Collins	James	O'Connor, N. Y.	Voigt
Connally, Tex.	Jeffers	O'Sullivan	Ward, N. C.
Connery	Johnson, Ky.	Oldfield	Watkins
Cook	Johnson, S. Dak.	Oliver, Ala.	Weaver
Cooper, Wis.	Johnson, Tex.	Oliver, N. Y.	Wefald
Corning	Johnson, W. Va.	Park, Ga.	Weller
Cramton	Jones	Parks, Ark.	White, Kans.
Crisp	Jost	Peavey	Williams, Tex.
Croll	Keller	Peery	Williamson
Crosser	Kelly	Pou	Wilson, Ind.
Cullen	Kent	Prall	Wilson, Miss.
Cummings	Kerr	Quayle	Wingo
Curry	Ketcham	Quin	Winter
Davey	Kincheloe	Ragon	Wolff
Davis, Minn.	Kindred	Rainey	Woodruff
Davis, Tenn.	King	Raker	Woodrum
Deal	Knutson	Ramseyer	Wright
Dickinson, Iowa	Kunz	Rankin	Zihlman
Dickinson, Mo.	Kvale	Rathbone	
Dickstein	LaGuardia	Rayburn	
Dominick	Lampert	Reed, Ark.	

ANSWERED "PRESENT"—3.

Boyce	Gallivan	Luce

NOT VOTING—14.

Berger	Hersey	Rouse	Wilson, La.
Black, Tex.	Kahn	Taylor, Colo.	Yates
Dempsey	Kopp	Thomas, Ky.	
Funk	Reed, W. Va.	Vare	

So the amendment was rejected.

The Clerk announced the following additional pairs:

On the vote:

Mr. Luce (for) with Mr. Black of Texas (against).

Mr. Vare (for) with Mr. Gallivan (against).

Mr. Kahn (for) with Mr. Rouse (against).
Mr. Reed of West Virginia (for) with Mr. Berger (against).
Mr. Dempsey (for) with Mr. Thomas of Kentucky (against).
Mr. Hersey (for) with Mr. Wilson of Louisiana (against).

Mr. LUCE. Mr. Speaker, on this question and on all the major questions connected with this bill I have agreed to pair with the gentleman from Texas, Mr. BLACK, who has been obliged to return home by reason of the death of his brother. I voted "aye," and I ask that my vote may be withdrawn and that I may be recorded as "present." If Mr. BLACK were here, he would vote "no."

Mr. GALLIVAN. Mr. Speaker, on this vote I voted "no." I am paired with the gentleman from Pennsylvania, Mr. VARE. If he were present, he would vote "aye." I desire to withdraw my vote and be recorded "present."

Mr. KINCHELOE. Mr. Speaker, my colleague, Mr. ROUSE, of Kentucky, is unavoidably absent, and he requested me to say that if he were present he would vote "no."

The result of the vote was announced as above recorded.

Mr. LONGWORTH. Mr. Speaker, I offer the following substitute for the Garner amendment, which I send to the desk.

The Clerk read as follows:

Mr. LONGWORTH offers the following substitute for the Garner amendment to sections 210 and 211 and subdivision (c) of section 216:

"On page 29 strike out lines 20 to 25, inclusive, and lines 1 to 18, inclusive, on page 30, and insert in lieu thereof the following:

"SEC. 210. (a) In lieu of the tax imposed by section 210 of the revenue act of 1921, there shall be levied, collected, and paid for each taxable year upon the net income of every individual (except as provided in subdivision (b) of this section) a normal tax of 6 per centum of the amount of the net income in excess of the credits provided in section 216, except that in the case of a citizen or resident of the United States the rate upon the first $4,000 of such excess amount shall be 2 per centum and upon the next $4,000 of such excess amount shall be 5 per centum;

"(b) In lieu of the tax imposed by subdivision (a), there shall be levied, collected, and paid for each taxable year upon the net income of every nonresident alien individual, a resident of a contiguous country, a normal tax equal to the sum of the following:

"(1) Two per centum of the amount by which the part of the net income attributable to wages, salaries, professional fees, or other amounts received as compensation for personal services actually performed in the United States exceeds the credits provided in subdivisions (d) and (e) of section 216; but the amount taxable at such 2 per centum rate shall not exceed $4,000;

"(2) Five per centum of the amount by which such part of the net income exceeds the sum of (A) the credits provided in subdivisions (d) and (e) of section 216, plus (B) $4,000; but the amount taxable at such 5 per centum rate shall not exceed $4,000; and

"(3) Six per centum of the amount of the net income in excess of the sum of (A) the amount taxed under paragraphs (1) and (2), plus (B) the credits provided in section 216."

Also strike out lines 20 to 25, inclusive, on page 30; lines 1 to 24, inclusive, page 31; and lines 1 to 26, inclusive, page 32, and insert in lieu thereof the following:

"SEC. 211. (a) In lieu of the tax imposed by section 211 of the revenue act of 1921, but in addition to the normal tax imposed by section 210 of this act, there shall be levied, collected, and paid for each taxable year upon the net income of every individual a surtax equal to three-fourths of the sum of the following:

"Two per centum of the amount by which the net income exceeds $10,000 and does not exceed $12,000;

"Three per centum of the amount by which the net income exceeds $12,000 and does not exceed $14,000;

"Four per centum of the amount by which the net income exceeds $14,000 and does not exceed $16,000;

"Five per centum of the amount by which the net income exceeds $16,000 and does not exceed $18,000;

"Six per centum of the amount by which the net income exceeds $18,000 and does not exceed $20,000;

"Eight per centum of the amount by which the net income exceeds $20,000 and does not exceed $22,000;

"Nine per centum of the amount by which the net income exceeds $22,000 and does not exceed $24,000;

"Ten per centum of the amount by which the net income exceeds $24,000 and does not exceed $26,000;

"Eleven per centum of the amount by which the net income exceeds $26,000 and does not exceed $28,000;

"Twelve per centum of the amount by which the net income exceeds $28,000 and does not exceed $30,000;

"Thirteen per centum of the amount by which the net income exceeds $30,000 and does not exceed $32,000;

"Fifteen per centum of the amount by which the net income exceeds $32,000 and does not exceed $36,000;

"Sixteen per centum of the amount by which the net income exceeds $36,000 and does not exceed $38,000;

"Seventeen per centum of the amount by which the net income exceeds $38,000 and does not exceed $40,000;

"Eighteen per centum of the amount by which the net income exceeds $40,000 and does not exceed $42,000;

"Nineteen per centum of the amount by which the net income exceeds $42,000 and does not exceed $44,000;

"Twenty per centum of the amount by which the net income exceeds $44,000 and does not exceed $46,000;

"Twenty-one per centum of the amount by which the net income exceeds $46,000 and does not exceed $48,000;

"Twenty-two per centum of the amount by which the net income exceeds $48,000 and does not exceed $50,000;

"Twenty-three per centum of the amount by which the net income exceeds $50,000 and does not exceed $52,000;

"Twenty-four per centum of the amount by which the net income exceeds $52,000 and does not exceed $54,000;

"Twenty-five per centum of the amount by which the net income exceeds $54,000 and does not exceed $56,000;

"Twenty-six per centum of the amount by which the net income exceeds $56,000 and does not exceed $58,000;

"Twenty-seven per centum of the amount by which the net income exceeds $58,000 and does not exceed $60,000;

"Twenty-eight per centum of the amount by which the net income exceeds $60,000 and does not exceed $62,000;

"Twenty-nine per centum of the amount by which the net income exceeds $62,000 and does not exceed $64,000;

"Thirty per centum of the amount by which the net income exceeds $64,000 and does not exceed $66,000;

"Thirty-one per centum of the amount by which the net income exceeds $66,000 and does not exceed $68,000;

"Thirty-two per centum of the amount by which the net income exceeds $68,000 and does not exceed $70,000;

"Thirty-three per centum of the amount by which the net income exceeds $70,000 and does not exceed $72,000;

"Thirty-four per centum of the amount by which the net income exceeds $72,000 and does not exceed $74,000;

"Thirty-five per centum of the amount by which the net income exceeds $74,000 and does not exceed $76,000;

"Thirty-six per centum of the amount by which the net income exceeds $76,000 and does not exceed $78,000;

"Thirty-seven per centum of the amount by which the net income exceeds $78,000 and does not exceed $80,000;

"Thirty-eight per centum of the amount by which the net income exceeds $80,000 and does not exceed $82,000;

"Thirty-nine per centum of the amount by which the net income exceeds $82,000 and does not exceed $84,000;

"Forty per centum of the amount by which the net income exceeds $84,000 and does not exceed $86,000;

"Forty-one per centum of the amount by which the net income exceeds $86,000 and does not exceed $88,000;

"Forty-two per centum of the amount by which the net income exceeds $88,000 and does not exceed $90,000;

"Forty-three per centum of the amount by which the net income exceeds $90,000 and does not exceed $92,000;

"Forty-four per centum of the amount by which the net income exceeds $92,000 and does not exceed $94,000;

"Forty-five per centum of the amount by which the net income exceeds $94,000 and does not exceed $96,000;

"Forty-six per centum of the amount by which the net income exceeds $96,000 and does not exceed $98,000;

"Forty-seven per centum of the amount by which the net income exceeds $98,000 and does not exceed $100,000;

"Forty-eight per centum of the amount by which the net income exceeds $100,000 and does not exceed $150,000;

"Forty-nine per centum of the amount by which the net income exceeds $150,000 and does not exceed $200,000;

"Fifty per centum of the amount by which the net income exceeds $200,000."

Mr. BLANTON. Mr. Speaker, I make the point of order against the Longworth substitute that in effect it is a revenue bill and the rules of the House require that a revenue bill which appears on the Union Calendar shall be framed in Committee of the Whole House on the state of the Union. The only exception is where new matter is offered in a motion to recommit. This is not a motion to recommit. It is an attempt to frame a revenue bill in the House, which can not be done, as the rules require it to be framed in the Committee of the Whole House on the state of the Union.

Mr. LONGWORTH. Mr. Speaker, will the gentleman yield for a question?

Mr. BLANTON. Yes.

Mr. LONGWORTH. Where was the Garner amendment framed?

Mr. BLANTON. In the Committee of the Whole House on the State of the Union, where it should be framed. I make the

point or order that this is an attempt to frame a revenue bill in the House. This Longworth substitute is a new revenue plan and has not been considered in Committee of the Whole House on the state of the Union, where it could be debated under the rules of the House and where the membership would have a right to analyze it and perfect it by amendments.

The SPEAKER. Has the gentleman anything further to offer?

Mr. BLANTON. Mr. Speaker, I make the point of order sincerely, believing that it is well taken. Under the rules of the House the Committee of the Whole House on the state of the Union has the inherent right to pass upon such a new revenue proposition as is now proposed. This is going behind the rules and setting them aside.

The SPEAKER. The gentleman's argument seems to go to the point that the House has not the right to amend this bill.

Mr. BLANTON. It has, certainly, on a motion to recommit. But this is an entirely new revenue proposition about which we know nothing, and we are entitled to debate it in the Committee of the Whole House on the state of the Union.

The SPEAKER. Of course the House always has the right to amend. The Chair overrules the point of order.

Mr. LONGWORTH. Mr. Speaker, by this substitute gentlemen will have an opportunity of deciding between a well-considered Republican income tax reduction plan, which will raise the necessary revenue, and an ill-considered Democratic, makeshift plan, which will cause a tremendous deficit in the revenue. I move the previous question on the amendment.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the substitute offered by the gentleman from Ohio.

Mr. LONGWORTH. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 216, nays 199, answered "present" 2, not voting 14, as follows:

YEAS—216.

Ackerman	Fleetwood	McLaughlin, Nebr.	Shreve
Aldrich	Foster	McLeod	Simmons
Anderson	Frear	MacGregor	Sinclair
Andrew	Fredericks	MacLafferty	Sinnott
Anthony	Free	Madden	Smith
Bacharach	Freeman	Magee, N. Y.	Snell
Bacon	French	Magee, Pa.	Snyder
Barbour	Frothingham	Manlove	Speaks
Beck	Fuller	Mapes	Sproul, Ill.
Beedy	Garber	Merritt	Sproul, Kans.
Beers	Gibson	Michaelson	Stalker
Begg	Gifford	Michener	Stephens
Bixler	Graham, Ill.	Miller, Ill.	Strong, Kans.
Boies	Graham, Pa.	Miller, Wash.	Strong, Pa.
Brand, Ohio	Green, Iowa	Mills	Summers, Wash.
Britten	Greene, Mass.	Moore, Ill.	Sweet
Browne, N. J.	Griest	Moore, Ohio.	Swing
Browne, Wis.	Hadley	Moores, Ind.	Swoope
Brumm	Hardy	Morgan	Taber
Burdick	Haugen	Morin	Taylor, Tenn.
Burtness	Hawley	Murphy	Temple
Burton	Hickey	Nelson, Me.	Thatcher
Butler	Hill, Md.	Nelson, Wis.	Thompson
Cable	Hoch	Newton, Minn.	Tilson
Campbell	Holaday	Newton, Mo.	Timberlake
Chindblom	Hudson	Nolan	Tincher
Christopherson	Hull, Iowa	Paige	Tinkham
Clague	Hull, Morton D.	Parker	Treadway
Clarke, N. Y.	Hull, William E.	Patterson	Underhill
Cole, Iowa	James	Peavey	Vaile
Cole, Ohio	Johnson, S. Dak.	Perkins	Vestal
Colton	Johnson, Wash.	Perlman	Vincent, Mich.
Connolly, Pa.	Kearns	Phillips	Voigt
Cooper, Ohio	Keller	Porter	Wainwright
Cooper, Wis.	Kelly	Purnell	Ward, N. Y.
Cramton	Kendall	Ramseyer	Wason
Crowther	Ketcham	Ransley	Watres
Curry	Kiess	Rathbone	Watson
Dallinger	King	Reece	Welsh
Darrow	Knutson	Reed, N. Y.	Wertz
Davis, Minn.	Kurtz	Reid, Ill.	White, Kans.
Denison	LaGuardia	Roach	White, Me.
Dickinson, Iowa	Lampert	Robinson, Iowa	Williams, Ill.
Dowell	Langley	Robsion, Ky.	Williams, Mich.
Dyer	Larson, Minn.	Rogers, Mass.	Williamson
Edmonds	Leatherwood	Rosenbloom	Winslow
Elliott	Leavitt	Sanders, Ind.	Winter
Evans, Iowa	Lehlbach	Sanders, N. Y.	Wood
Fairchild	Lineberger	Schafer	Woodruff
Fairfield	Little	Schall	Wurzbach
Faust	Longworth	Schneider	Wyant
Fenn	McFadden	Scott	Yates
Fish	McKenzie	Sears, Nebr.	Young
Fitzgerald	McLaughlin, Mich.	Seger	Zihlman

NAYS—199.

Abernethy	Barkley	Boyce	Byrnes, S. C.
Allen	Bell	Boylan	Byrns, Tenn.
Allgood	Black, N. Y.	Brand, Ga.	Canfield
Almon	Bland	Briggs	Cannon
Arnold	Blanton	Browning	Carew
Aswell	Bloom	Buckley	Carter
Ayres	Bowling	Bulwinkle	Casey
Bankhead	Box	Busby	Celler
Clancy	Hammer	McKeown	Rogers, N. H.
Clark, Fla.	Harrison	McNulty	Romjue
Cleary	Hastings	McReynolds	Rubey
Collier	Hawes	McSwain	Sabath
Collins	Hayden	McSweeney	Salmon
Connally, Tex.	Hill, Ala.	Major, Ill.	Sanders, Tex.
Connery	Hill, Wash.	Major, Mo.	Sandlin
Cook	Hooker	Mansfield	Sears, Fla.
Corning	Howard, Nebr.	Martin	Shallenberger
Crisp	Howard, Okla.	Mead	Sherwood
Croll	Huddleston	Milligan	Sites
Crosser	Hudspeth	Minahan	Smithwick
Cullen	Hull, Tenn.	Montague	Steagall
Cummings	Humphreys	Mooney	Stedman
Davey	Jacobstein	Moore, Ga.	Stengle
Davis, Tenn.	Jeffers	Moore, Va.	Stevenson
Deal	Johnson, Ky.	Morehead	Sullivan
Dickinson, Mo.	Johnson, Tex.	Morris	Sumners, Tex.
Dickstein	Johnson, W. Va.	Morrow	Swank
Dominick	Jones	O'Brien	Tague
Doughton	Jost	O'Connell, N. Y.	Taylor, W. Va.
Doyle	Kent	O'Connell, R. I.	Thomas, Okla.
Drane	Kerr	O'Connor, La.	Tillman
Drewry	Kincheloe	O'Connor, N. Y.	Tucker
Driver	Kindred	O'Sullivan	Tydings
Eagan	Kunz	Oldfield	Underwood
Evans, Mont.	Kvale	Oliver, Ala.	Upshaw
Favrot	Lanham	Oliver, N. Y.	Vinson, Ga.
Fisher	Lankford	Park, Ga.	Vinson, Ky.
Fulbright	Larsen, Ga.	Parks, Ark.	Ward, N. C.
Fulmer	Lazaro	Peery	Watkins
Gardner, Ind.	Lea, Calif.	Pou	Weaver
Garner, Tex.	Lee, Ga.	Prall	Wefald
Garrett, Tenn.	Lilly	Quayle	Weller
Garrett, Tex.	Lindsay	Quin	Williams, Tex.
Gasque	Linthicum	Ragon	Wilson, Ind.
Geran	Logan	Rainey	Wilson, Miss.
Gilbert	Lowrey	Raker	Wingo
Glatfelter	Lozier	Rankin	Wolff
Goldsborough	Lyon	Rayburn	Woodrum
Greenwood	McClintic	Reed, Ark.	Wright
Griffin	McDuffie	Richards	

ANSWERED "PRESENT"—2.

Gallivan	Luce

NOT VOTING—14.

Berger	Funk	Reed, W. Va.	Vare
Black, Tex.	Hersey	Rouse	Wilson, La.
Buchanan	Kahn	Taylor, Colo.	
Dempsey	Kopp	Thomas, Ky.	

So the Longworth amendment was agreed to.

The Clerk announced the following additional pairs:

On this vote:

Mr. Luce (for) with Mr. Black of Texas (against).
Mr. Vare (for) with Mr. Gallivan (against).
Mr. Kahn (for) with Mr. Rouse (against).
Mr. Reed of West Virginia (for) with Mr. Berger (against).
Mr. Funk (for) with Mr. Wilson of Louisiana (against).
Mr. Dempsey (for) with Mr. Thomas of Kentucky (against).
Mr. Hersey (for) with Mr. Buchanan (against).

Mr. GALLIVAN. Mr. Speaker, on this amendment I voted "no." I am paired with the gentleman from Pennsylvania, Mr. VARE, who is not here. If he were present, he would vote "aye." Therefore I desire to withdraw my vote and vote "present."

The SPEAKER. The gentleman will be recorded as "present."

Mr. LUCE. Mr. Speaker, on this question I voted "aye." I am paired with Mr. BLACK of Texas. If he were here he would vote "no." I ask that my vote may be withdrawn and that I may be recorded as "present."

The SPEAKER. The gentleman's name will be recorded as "present."

The result of the vote was announced as above recorded.

The SPEAKER. The question is on agreeing to the amendment as amended.

The amendment to the amendment was agreed to.

Mr. GREEN of Iowa. Mr. Speaker, there were several informal amendments made in places to conform with the Garner amendment when adopted in the bill, amendments that now in conformity with the action of the House should be corrected; that is, they should be voted down to correspond with the action of the House. I ask unanimous consent that I may now submit these amendments to the vote of the House.

The SPEAKER. The gentleman from Iowa asks unanimous consent that the following amendments be submitted together.

Mr. BLANTON. We want to know what they are.

The SPEAKER. The Clerk will report them separately.

The Clerk read as follows:

The following amendments were offered by the committee, being made necessary by the adoption of the Garner amendment changing the normal tax and the personal exemption:

Page 53, line 8, striking out "paragraph (1) of subdivision (b)" and inserting in lieu thereof "subdivision (c)."

Page 66, line 7, striking out "$1,000" and inserting "$2,000."

Page 66, line 10, striking out "$2,000" and inserting "$3,000."

Page 66, line 16, striking out "$2,000" and inserting "$3,000."

Page 67, line 19, striking out "$1,000" and inserting "$2,000."
Page 67, line 22, striking out "$2,000" and inserting "$3,000."
Page 68, line 2, striking out "$1,000" and inserting "$2,000."

Mr. GREEN of Iowa. Mr. Speaker, these amendments, as I said, were inserted originally in Committee of the Whole to conform with the Garner amendment. Now, to conform with the action of the House just taken, they should be voted down.

The SPEAKER. Is there objection to considering them together?

Mr. GARNER of Texas. I have no objection to considering them. The amendments ought to be adopted.

Mr. GREEN of Iowa. They ought not to be adopted.

Mr. GARNER of Texas. I mean the amendment you propose.

Mr. GREEN of Iowa. I have not proposed any amendment.

Mr. GARNER of Texas. The gentleman desires that these amendments be voted on together and voted down?

Mr. GREEN of Iowa. Yes. Under the plan in the bill we gave an exemption of $3,000 to the married and $2,000 to the unmarried person. Now you have restored the former exemptions. This is merely to conform to the Longworth amendment.

Mr. HOWARD of Nebraska. Oh, Mr. Speaker, I can not consent to that.

The SPEAKER. The Clerk will read the first amendment.

Mr. HOWARD of Nebraska. Well, I consent. [Laughter.]

The SPEAKER. The question is on agreeing to the amendments.

The question was taken, and the amendments were rejected.

Mr. TILSON. Mr. Speaker, is a separate vote desired on any amendment?

Mr. GREEN of Iowa. Mr. Speaker, since objection is made, I move the previous question on the bill and all remaining amendments to final passage.

The previous question was ordered.

The SPEAKER. Is a separate vote demanded on any amendment?

Mr. MONTAGUE. Mr. Speaker, I ask a separate vote on amendment No. 31, page 152, known as the cigarette tax.

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. TILSON. Mr. Speaker, No. 16, on page 100, line 12, introduced by the gentleman from Virginia [Mr. MOORE], known as the "Peeping Tom amendment," and the one on the same subject offered by the gentleman from Kentucky [Mr. BARKLEY].

Mr. MILLS. Mr. Speaker, I demand a separate vote on amendment No. 7, page 125, line 20, being an amendment offered by the gentleman from Iowa [Mr. RAMSEYER].

The SPEAKER. Is a separate vote demanded on any other amendment?

Mr. GREEN of Iowa. Mr. Speaker, I ask for a separate vote on the amendment offered by the gentleman from Mississippi [Mr. COLLIER], on page 201, beginning with line 16, to strike out the paragraph, being the tax on checks and promissory notes; also on the amendment offered by the gentleman from Georgia [Mr. LARSEN], on page 207, line 7, inserting the words "with the advice and consent of the Senate."

The SPEAKER. The clerks at the desk were unable to hear the gentleman's last request.

Mr. GREEN of Iowa. I will send these to the desk, marked.

The SPEAKER. What was the gentleman's last request? We have them all except the last one.

The Clerk read as follows:

Page 205, line 7, amendment offered by Mr. LARSEN of Georgia, inserting the words "with the advice and consent of the Senate."

Mr. GREEN of Iowa. On page 201, beginning with line 16, the amendment offered by Mr. COLLIER.

The Clerk read as follows:

Amendment offered by Mr. COLLIER: Page 201, beginning with line 16, strike out paragraph 5, being the stamp tax on drafts and checks, agreed to February 28.

Mr. TREADWAY. Mr. Speaker, I ask for a separate vote on the amendment adopted on page 150, offered by the gentleman from Iowa [Mr. GREEN], imposing a tax on gifts.

The SPEAKER. Is a separate vote demanded on any other amendment? If not, the Chair will submit the other amendments en gross. The question is on agreeing to the other amendments.

The other amendments were agreed to.

The SPEAKER. The Clerk will report the first amendment on which a separate vote is demanded.

The Clerk read as follows:

The Moore amendment: Page 100, line 12, after the word "President," insert the following:

"*Provided*, That the Ways and Means Committee of the House or the Finance Committee of the Senate, or a special committee of the House or Senate, shall have the right to call on the Secretary of the Treasury, and it shall be his duty to furnish any data of any character contained in or shown by the returns or any of them that may be required by the committee; and any such committee shall have the right, acting directly as a committee or by and through such examiners or agents as it may designate or appoint, to inspect all or any of the returns at such times and in such manner as it may determine; and any relevant or useful information thus obtained may be submitted by the committee obtaining it to the Senate or the House, or to both the Senate and House, as the case may be."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. CRISP) there were—ayes 238, noes 124.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment by Mr. BARKLEY: Amendment No. 17, on page 100, lines 13 and 14, after the word "State" in line 13, strike out the words "imposing an income tax."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. BARKLEY) there were—ayes 222, noes 179.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. RAMSEYER: Strike out all beginning with line 20, page 125, to and including line 22, page 126, and insert in lieu thereof the following:

"One per cent of the amount of the net estate not in excess of $50,000;

"Two per cent of the amount by which the net estate exceeds $50,000 and does not exceed $100,000;

"Three per cent of the amount by which the net estate exceeds $100,000 and does not exceed $150,000;

"Four per cent of the amount by which the net estate exceeds $150,000 and does not exceed $250,000;

"Six per cent of the amount by which the net estate exceeds $250,000 and does not exceed $450,000;

"Nine per cent of the amount by which the net estate exceeds $450,000 and does not exceed $750,000;

"Twelve per cent of the amount by which the net estate exceeds $750,000 and does not exceed $1,000,000;

"Fifteen per cent of the amount by which the net estate exceeds $1,000,000 and does not exceed $1,500,000;

"Eighteen per cent of the amount by which the net estate exceeds $1,500,000 and does not exceed $2,000,000;

"Twenty-one per cent of the amount by which the net estate exceeds $2,000,000 and does not exceed $3,000,000;

"Twenty-four per cent of the amount by which the net estate exceeds $3,000,000 and does not exceed $4,000,000;

"Twenty-seven per cent of the amount by which the net estate exceeds $4,000,000 and does not exceed $5,000,000;

"Thirty per cent of the amount by which the net estate exceeds $5,000,000 and does not exceed $8,000,000;

"Thirty-five per cent of the amount by which the net estate exceeds $8,000,000 and does not exceed $10,000,000;

"Forty per cent of the amount by which the net estate exceeds $10,000,000."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 261, noes 107.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Iowa: Page 150, after line 24, insert new sections, as follows:

"SEC. 319. On and after January 1, 1924, a tax equal to the sum of the following is hereby imposed upon the transfer of property by gift, whether made directly or indirectly, by every person, whether a resident or nonresident of the United States:

"One per cent of the amount of gifts not in excess of $50,000;

"Two per cent of the amount by which the gifts exceed $50,000 and do not exceed $100,000;

"Three per cent of the amount by which the gifts exceed $100,000 and do not exceed $150,000;

"Four per cent of the amount by which the gifts exceed $150,000 and do not exceed $250,000;

"Six per cent of the amount by which the gifts exceed $250,000 and do not exceed $450,000;

"Nine per cent of the amount by which the gifts exceed $450,000 and do not exceed $750,000;

"Twelve per cent of the amount by which the gifts exceed $750,000 and do not exceed $1,000,000;

"Fifteen per cent of the amount by which the gifts exceed $1,000,000 and do not exceed $1,500,000;

"Eighteen per cent of the amount by which the gifts exceed $1,500,000 and do not exceed $2,000,000;

"Twenty-one per cent of the amount by which the gifts exceed $2,000,000 and do not exceed $3,000,000;

"Twenty-four per cent of the amount by which the gifts exceed $3,000,000 and do not exceed $4,000,000;

"Twenty-seven per cent of the amount by which the gifts exceed $4,000,000 and do not exceed $5,000,000;

"Thirty per cent of the amount by which the gifts exceed $5,000,000 and do not exceed $8,000,000;

"Thirty-five per cent of the amount by which the gifts exceed $8,000,000 and do not exceed $10,000,000;

"Forty per cent of the amount by which the gifts exceed $10,000,000.

"SEC. 320. The amount of the gifts subject to the tax imposed by section 319, in the case of residents, shall be the sum of all the gifts made by such resident during the calendar year, and in the case of nonresidents the sum of all gifts so made of property situated within the United States. If the gift is made in property, the fair market value thereof at the date of the gift shall be considered the amount of the gift subject to the tax.

"Where property is sold or exchanged for less than a fair consideration in money or money's worth, then the amount by which the fair market value of the property exceeded the consideration received shall, for the purpose of the tax imposed by section 319, be deemed a gift and shall be included in computing the amount of gifts made during the calendar year.

"SEC. 321. For the purpose of this tax the amount of the gift subject to the tax imposed by section 319 shall be determined—

"(a) In the case of a resident, by deducting from the total amount of such gifts—

"(1) An exemption of $50,000;

"(2) The amount of all gifts or contributions made within the calendar year to or for any donee or purpose specified in paragraph (3) of subdivision (a) of section 303, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act;

"(3) Gifts the aggregate amount of which to any one person does not exceed $500.

"(b) In the case of a nonresident, by deducting from the total amount of such gifts—

"(1) The amount of all gifts or contributions made within the calendar year to or for any donee or purpose specified in paragraph (3) of subdivision (a) of section 303, or to the special fund for vocational rehabilitation authorized by section 7 of the vocational rehabilitation act;

"(2) Gifts the aggregate amount of which to any one person does not exceed $500.

"SEC. 322. In case a tax has been imposed under section 319 upon any gift, and thereafter upon the death of the donor the amount thereof is required by any provision of this title to be included in the gross estate of the decedent then there shall be credited against and applied in reduction of the estate tax, which would otherwise be chargeable against the estate of the decedent under the provisions of section 301, an amount equal to the tax paid with respect to such gift; and in the event the donor has in any year paid the tax imposed by section 319 with respect to a gift or gifts which upon the death of the donor must be included in his gross estate and a gift or gifts not required to be so included, then the amount of the tax which shall be deemed to have been paid with respect to the gift or gifts required to be so included shall be that proportion of the entire tax paid on account of all such gifts which the amount of the gift or gifts required to be so included bears or bear to the total amount of gifts in that year.

"SEC. 323. Any person who within the year 1924 or any calendar year thereafter makes any gift or gifts of an aggregate value in excess of $10,000 shall, on or before the 15th day of the third month following the close of the calendar year, file with the collector a return under oath in duplicate, listing and setting forth therein all gifts and contributions by him made during such calendar year, and the fair market value thereof when made, and also all sales and exchanges of property owned by him made within such year for less than a fair consideration in money or money's worth, stating therein the fair market value of the property so sold or exchanged and that of the consideration received by him, both as of the date of such sale or exchange.

"SEC. 324. The tax imposed by section 319 shall be paid by the donor on or before the 15th day of the third month following the close of the calendar year, and shall be assessed, collected, and paid in the same manner and subject, in so far as applicable, to the same provisions of law as the tax imposed by section 301."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken, and the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment 31, page 152 of the bill: Amendment by Mr. GARNER of Texas: Page 152, line 8, strike out "$3" and insert "$4."

Mr. ABERNETHY. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. ABERNETHY. Mr. Speaker, as I understand, that is the amendment which adds an additional tax of $1 on cigarettes?

The SPEAKER. Yes. The question is on agreeing to the amendment.

Mr. KINCHELOE. Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 153, nays 258, answered "present" 1, not voting 19, as follows:

YEAS—153.

Allen	Dickinson, Iowa	Ketcham	Sandlin
Allgood	Dominick	Kiess	Schall
Anderson	Dowell	Kvale	Schneider
Anthony	Driver	Larson, Minn.	Scott
Arnold	Evans, Iowa	Leatherwood	Shallenberger
Ayres	Evans, Mont.	Leavitt	Sherwood
Bankhead	Fairfield	Lowrey	Simmons
Beck	Fleetwood	Lozier	Sinclair
Beedy	Frear	McClintic	Sinnott
Beers	French	McDuffie	Speaks
Begg	Fulbright	McKenzie	Sproul, Kans.
Bell	Fuller	McLaughlin, Mich.	Stalker
Blanton	Garber	McLaughlin, Nebr.	Stevenson
Boies	Gardner, Ind.	McSweeney	Strong, Kans.
Bowling	Garner, Tex.	Mapes	Sumners, Tex.
Box	Garrett, Tenn.	Michener	Sweet
Browne, Wis.	Garrett, Tex.	Milligan	Swing
Brand, Ga.	Gibson	Moore, Ga.	Thomas, Okla.
Brand, Ohio	Gilbert	Morehead	Thompson
Briggs	Green, Iowa	Nelson, Wis.	Timberlake
Burton	Greenwood	Newton, Minn.	Tincher
Canfield	Griffin	Oldfield	Valle
Cannon	Hardy	Oliver, Ala.	Vincent, Mich.
Carter	Haugen	Peavey	Watkins
Christopherson	Hayden	Porter	Wefald
Clague	Hill, Wash.	Quin	Welsh
Clarke, N. Y.	Hoch	Rainey	White, Kans.
Cole, Iowa	Holaday	Raker	Williams, Mich.
Cole, Ohio	Howard, Nebr.	Ramseyer	Williams, Tex.
Collier	Howard, Okla.	Rankin	Williamson
Colton	Hudson	Rathbone	Wilson, Ind.
Connally, Tex.	Hull, Iowa	Reid, Ill.	Wingo
Connery	James	Richards	Winter
Cook	Jeffers	Robinson, Iowa	Woodruff
Cooper, Ohio	Johnson, S. Dak.	Romjue	Wright
Cramton	Johnson, Tex.	Rosenbloom	Young
Crowther	Jones	Rubey	
Davis, Minn.	Kelly	Sabath	
Dickinson, Mo.	Kent	Sanders, Tex.	

NAYS—258.

Abernethy	Chindblom	Fenn	Hull, Tenn.
Ackerman	Clancy	Fish	Hull, Morton D.
Aldrich	Clark, Fla.	Fisher	Hull, William E.
Almon	Cleary	Fitzgerald	Humphreys
Andrew	Collins	Foster	Jacobstein
Aswell	Connolly, Pa.	Fredericks	Johnson, Ky.
Bacharach	Cooper, Wis.	Free	Johnson, Wash.
Bacon	Corning	Freeman	Johnson, W. Va.
Barbour	Crisp	Frothingham	Jost
Barkley	Croll	Fulmer	Kearns
Bixler	Crosser	Gallivan	Keller
Black, N. Y.	Cullen	Gasque	Kendall
Bland	Cummings	Geran	Kerr
Bloom	Curry	Gifford	Kincheloe
Boyce	Dallinger	Glatfelter	Kindred
Boylan	Darrow	Goldsborough	King
Britten	Davey	Graham, Ill.	Knutson
Browne, N. J.	Davis, Tenn.	Graham, Pa.	Kunz
Browning	Deal	Greene, Mass.	Kurtz
Brumm	Denison	Griest	LaGuardia
Buckley	Dickstein	Hadley	Lampert
Bulwinkle	Doughton	Hammer	Langley
Burdick	Doyle	Harrison	Lanham
Burtness	Drane	Hastings	Lankford
Busby	Drewry	Hawes	Larsen, Ga.
Butler	Dyer	Hawley	Lazaro
Byrnes, S. C.	Eagan	Hickey	Lea, Calif.
Byrns, Tenn.	Edmonds	Hill, Ala.	Lee, Ga.
Cable	Elliott	Hill, Md.	Lehlbach
Campbell	Fairchild	Hooker	Lindsay
Carew	Faust	Huddleston	Lineberger
Celler	Favrot	Hudspeth	Linthicum

Little	Morin	Roach	Tilson
Logan	Morris	Robsion, Ky.	Tinkham
Longworth	Morrow	Rogers, Mass.	Treadway
Lyon	Murphy	Rogers, N. H.	Tucker
McKeown	Nelson, Me.	Salmon	Tydings
McLeod	Newton, Mo.	Sanders, Ind.	Underhill
McNulty	Nolan	Sanders, N. Y.	Underwood
McReynolds	O'Brien	Schafer	Upshaw
McSwain	O'Connell, N. Y.	Sears, Fla.	Vestal
MacGregor	O'Connell, R. I.	Seger	Vinson, Ga.
MacLafferty	O'Connor, La.	Shreve	Vinson, Ky.
Madden	O'Connor, N. Y.	Sites	Voigt
Magee, N. Y.	O'Sullivan	Smith	Wainwright
Magee, Pa.	Oliver, N. Y.	Smithwick	Ward, N. C.
Major, Ill.	Paige	Snell	Ward, N. Y.
Major, Mo.	Park, Ga.	Snyder	Wason
Manlove	Parker	Sproul, Ill.	Watres
Mansfield	Parks, Ark.	Steagall	Watson
Martin	Patterson	Stedman	Weaver
Mead	Peery	Stengle	Weller
Merritt	Perkins	Stephens	Wertz
Michaelson	Perlman	Strong, Pa.	White, Me.
Miller, Ill.	Phillips	Sullivan	Williams, Ill.
Miller, Wash.	Pou	Summers, Wash.	Wilson, Miss.
Mills	Prall	Swank	Winslow
Minahan	Purnell	Swoope	Wood
Montague	Quayle	Taber	Woodrum
Mooney	Ragon	Tague	Wurzbach
Moore, Ill.	Ransley	Taylor, Tenn.	Wyant
Moore, Ohio	Rayburn	Taylor, W. Va.	Yates
Moore, Va.	Reece	Temple	Zihlman
Moores, Ind.	Reed, Ark.	Thatcher	
Morgan	Reed, N. Y.	Tillman	

ANSWERED "PRESENT"—1.

Luce

NOT VOTING—19.

Berger	Funk	McFadden	Thomas, Ky.
Black, Tex.	Hersey	Reed, W. Va.	Vare
Buchanan	Kahn	Rouse	Wilson, La.
Casey	Kopp	Sears, Nebr.	Wolff
Dempsey	Lilly	Taylor, Colo.	

So the amendment was rejected.

The Clerk announced the following pairs:

Until further notice:

Mr. Kahn with Mr. Rouse.
Mr. Reed of West Virginia with Mr. Berger.
Mr. Funk with Mr. Wilson of Louisiana.
Mr. Dempsey with Mr. Thomas of Kentucky.
Mr. Hersey with Mr. Buchanan.
Mr. McFadden with Mr. Casey.
Mr. Sears of Nebraska with Mr. Lilly.
Mr. Vare with Mr. Wolff.

The result of the vote was announced as above recorded.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Strike out paragraph 5, embraced in lines 16 on page 201, to line 5, on page 202.

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. COLLIER) there were—ayes 232, noes 102.

So the amendment was agreed to.

The SPEAKER. The Clerk will report the next amendment.

The Clerk read as follows:

Amendment offered by Mr. LARSEN of Georgia: Page 205, line 7, after the word "President" insert "with the advice and consent of the Senate."

The SPEAKER. The question is on agreeing to the amendment.

The question was taken; and on a division (demanded by Mr. GREEN of Iowa) there were—ayes 206, noes 159.

So the amendment was agreed to.

The SPEAKER. This concludes the amendments. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

Mr. GARNER of Texas. Mr. Speaker, I would like to make a motion to recommit, but I can not qualify as being opposed to the bill.

The SPEAKER. Does any gentleman opposed to the bill desire to make a motion to recommit?

Mr. MILLS. Mr. Speaker, I am opposed to the bill.

The SPEAKER. The Chair recognizes the gentleman from New York.

Mr. MILLS. I move, Mr. Speaker, to recommit the bill to the Committee on Ways and Means, and on that motion I move the previous question.

Mr. CRISP. Mr. Speaker, a parliamentary inquiry.

The SPEAKER. The gentleman will state it.

Mr. CRISP. If the previous question was voted down, the motion would be amendable, would it not?

The SPEAKER. It would. The question is on ordering the previous question.

The question was taken; and on a division (demanded by Mr. MILLS) there were—ayes 223, noes 196.

Mr. GARRETT of Tennessee. Mr. Speaker, I ask for the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 205, nays 208, answered "present" 1, not voting 17, as follows:

YEAS—205.

Ackerman	Fredericks	MacGregor	Smith
Aldrich	Free	MacLafferty	Snell
Anderson	Freeman	Madden	Snyder
Anthony	French	Magee, Pa.	Speaks
Bacharach	Frothingham	Magee, N. Y.	Sproul, Ill.
Bacon	Fuller	Manlove	Sproul, Kans.
Barbour	Garber	Mapes	Stalker
Beedy	Gibson	Merritt	Stephens
Beers	Gifford	Michaelson	Strong, Kans.
Begg	Graham, Ill.	Michener	Strong, Pa.
Bixler	Graham, Pa.	Miller, Ill.	Summers, Wash.
Boies	Green, Iowa	Miller, Wash.	Sweet
Brand, Ohio	Greene, Mass.	Mills	Swing
Britten	Griest	Moore, Ill.	Swoope
Browne, N. J.	Hadley	Moore, Ohio	Taber
Brumm	Hardy	Moores, Ind.	Taylor, Tenn.
Burdick	Haugen	Morgan	Temple
Burtness	Hawley	Morin	Thatcher
Burton	Hickey	Murphy	Thompson
Butler	Hill, Md.	Nelson, Me.	Tilson
Cable	Hoch	Newton, Minn.	Timberlake
Campbell	Holaday	Newton, Mo.	Tincher
Chindblom	Hudson	Nolan	Tinkham
Christopherson	Hull, Iowa	Paige	Treadway
Clague	Hull, Morton D.	Parker	Underhill
Clarke, N. Y.	Hull, William E.	Patterson	Vaile
Cole, Iowa	James	Peavey	Vestal
Cole, Ohio	Johnson, S. Dak.	Perkins	Vincent, Mich.
Colton	Johnson, Wash.	Perlman	Wainwright
Connolly, Pa.	Kearns	Phillips	Ward, N. Y.
Cooper, Ohio	Kelly	Porter	Wason
Cooper, Wis.	Kendall	Purnell	Watres
Cramton	Ketcham	Ramseyer	Watson
Crowther	Kiess	Ransley	Welsh
Curry	King	Rathbone	Wertz
Dallinger	Knutson	Reece	White, Kans.
Darrow	Kurtz	Reed, N.Y.	White, Me.
Denison	LaGuardia	Reid, Ill.	Williams, Ill.
Dickinson, Iowa	Langley	Roach	Williams, Mich.
Dowell	Larson, Minn.	Robinson, Iowa	Williamson
Dyer	Lea, Calif.	Robsion, Ky.	Winslow
Edmonds	Leatherwood	Rogers, Mass.	Winter
Elliott	Leavitt	Rosenbloom	Wood
Evans, Iowa	Lehlbach	Sanders, Ind.	Woodruff
Fairchild	Lineberger	Sanders, N. Y.	Wurzbach
Fairfield	Little	Schall	Wyant
Faust	Longworth	Scott	Yates
Fenn	McFadden	Sears, Nebr.	Young
Fish	McKenzie	Seger	Zihlman
Fitzgerald	McLaughlin, Mich.	Shreve	
Fleetwood	McLaughlin, Nebr.	Simmons	
Foster	McLeod	Sinnott	

NAYS—208.

Abernethy	Davey	Johnson, W. Va.	O'Connor, N. Y.
Allen	Davis, Minn.	Jones	O'Sullivan
Allgood	Davis, Tenn.	Jost	Oldfield
Almon	Deal	Keller	Oliver, Ala.
Arnold	Dickinson, Mo.	Kent	Oliver, N. Y.
Aswell	Dickstein	Kerr	Park, Ga.
Ayres	Dominick	Kincheloe	Parks, Ark.
Bankhead	Doughton	Kindred	Peery
Barkley	Doyle	Kunz	Pou
Beck	Drane	Kvale	Prall
Bell	Drewry	Lampert	Quayle
Black, N. Y.	Driver	Lanham	Quin
Bland	Eagan	Lankford	Ragon
Blanton	Evans, Mont.	Larsen, Ga.	Rainey
Bloom	Favrot	Lazaro	Raker
Bowling	Fisher	Lee, Ga.	Rankin
Box	Fulbright	Lindsay	Rayburn
Boyce	Fulmer	Linthicum	Reed, Ark.
Boylan	Gallivan	Logan	Richards
Brand, Ga.	Gardner, Ind.	Lowrey	Rogers, N. H.
Briggs	Garner, Tex.	Lozier	Romjue
Browne, Wis.	Garrett, Tenn.	Lyon	Rubey
Browning	Garrett, Tex.	McClintic	Sabath
Buckley	Gasque	McDuffie	Salmon
Bulwinkle	Geran	McKeown	Sanders, Tex.
Busby	Gilbert	McNulty	Sandlin
Byrnes, S. C.	Glatfelter	McReynolds	Schafer
Byrns, Tenn.	Goldsborough	McSwain	Schneider
Canfield	Greenwood	McSweeney	Sears, Fla.
Cannon	Griffin	Major, Ill.	Shallenberger
Carew	Hammer	Major, Mo.	Sherwood
Carter	Harrison	Mansfield	Sinclair
Casey	Hastings	Martin	Sites
Celler	Hawes	Mead	Smithwick
Clancy	Hayden	Milligan	Steagall
Clark, Fla.	Hill, Ala.	Minahan	Stedman
Cleary	Hill, Wash.	Montague	Stengle
Collier	Hooker	Mooney	Stevenson
Collins	Howard, Nebr.	Moore, Ga.	Sullivan
Connally, Tex.	Howard, Okla.	Moore, Va.	Sumners, Tex.
Connery	Huddleston	Morehead	Swank
Cook	Hudspeth	Morris	Tague
Corning	Hull, Tenn.	Morrow	Taylor, W. Va.
Crisp	Humphreys	Nelson, Wis.	Thomas, Okla.
Croll	Jacobstein	O'Brien	Tillman
Crosser	Jeffers	O'Connell, N. Y.	Tucker
Cullen	Johnson, Ky.	O'Connell, R. I.	Tydings
Cummings	Johnson, Tex.	O'Connor, La.	Underwood

Upshaw	Ward, N. C.	Weller	Wingo
Vinson, Ga.	Watkins	Williams, Tex.	Wolff
Vinson, Ky.	Weaver	Wilson, Ind.	Woodrum
Volgt	Wefald	Wilson, Miss.	Wright

ANSWERED "PRESENT"—1.

Luce

NOT VOTING—17.

Andrew	Frear	Lilly	Vare
Berger	Funk	Reed, W. Va.	Wilson, La.
Black, Tex.	Hersey	Rouse	
Buchanan	Kahn	Taylor, Colo.	
Dempsey	Kopp	Thomas, Ky.	

So the motion for the previous question was lost.

The following additional pairs were announced:

Mr. Kahn (for) with Mr. Rouse (against).
Mr. Funk (for) with Mr. Wilson of Louisiana (against).
Mr. Dempsey (for) with Mr. Thomas of Kentucky (against).
Mr. Kopp (for) with Mr. Taylor of Colorado (against).
Mr. Reed of West Virginia (for) with Mr. Berger (against).
Mr. Hersey (for) with Mr. Buchanan (against).
Mr. Vare (for) with Mr. Lilly (against).

The result of the vote was announced as above recorded.

Mr. CRISP. Mr. Speaker, I offer the following substitute for the motion to recommit, and on that I move the previous question.

The SPEAKER. The Clerk will report the substitute for the motion to recommit offered by the gentleman from Georgia.

The Clerk read as follows:

Mr. CRISP offered the following substitute for the motion to recommit offered by the gentleman from New York, Mr. MILLS:

"That H. R. 6715, the bill now under consideration, be, and the same is hereby, recommitted to the Committee on Ways and Means with instructions to report the same back instanter with Title XII eliminated from the bill."

Mr. CRISP. And on that I demand the previous question.

The previous question was ordered.

The SPEAKER. The question is on the amendment as a substitute offered by the gentleman from Georgia.

Mr. CRISP. On that, Mr. Speaker, I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 68, nays 346, not voting 17, as follows:

YEAS—68.

Allen	Dickinson, Mo.	Lampert	Sabath
Allgood	Evans, Mont.	Lowrey	Schafer
Beck	Frear	Lozier	Schneider
Blanton	Gardner, Ind.	McSwain	Shallenberger
Browne, Wis.	Garner, Tex.	Morehead	Sherwood
Browning	Garrett, Tex.	Nelson, Wis.	Sinclair
Busby	Garrett, Tenn.	Nolan	Swank
Cannon	Gilbert	Oldfield	Taylor, W. Va.
Carew	Hayden	Peavey	Thomas, Okla.
Carter	Howard, Nebr.	Quin	Tillman
Collier	Huddleston	Raker	Valle
Collins	Hudspeth	Ramseyer	Voigt
Connally, Tex.	Jacobstein	Rankin	Wefald
Cooper, Wis.	Johnson, S. Dak.	Reed, Ark.	Williams, Tex.
Crisp	Keller	Richards	Williamson
Crosser	Kvale	Romjue	Wilson, Miss.
Davis, Minn.	LaGuardia	Rubey	Wolff

NAYS—346.

Abernethy	Burtness	Dickstein	Glatfelter
Ackerman	Burton	Dominick	Goldsborough
Aldrich	Butler	Doughton	Graham, Ill.
Almon	Byrnes, S. C.	Dowell	Graham, Pa.
Anderson	Byrns, Tenn.	Doyle	Green, Iowa
Andrew	Cable	Drane	Greene, Mass.
Anthony	Campbell	Drewry	Greenwood
Arnold	Canfield	Driver	Griest
Aswell	Casey	Dyer	Griffin
Ayres	Celler	Eagan	Hadley
Bacharach	Chindblom	Edmonds	Hammer
Bacon	Christopherson	Elliott	Hardy
Bankhead	Clague	Evans, Iowa	Harrison
Barbour	Clancy	Fairchild	Hastings
Barkley	Clark, Fla.	Fairfield	Haugen
Beedy	Clarke, N. Y.	Faust	Hawes
Beers	Cleary	Favrot	Hawley
Begg	Cole, Iowa	Fenn	Hickey
Bell	Cole, Ohio	Fish	Hill, Ala.
Bixler	Colton	Fisher	Hill, Md.
Black, N. Y.	Connery	Fitzgerald	Hill, Wash.
Bland	Connolly, Pa.	Fleetwood	Hoch
Bloom	Cook	Foster	Holaday
Boies	Cooper, Ohio	Fredericks	Hooker
Bowling	Corning	Free	Howard, Okla.
Box	Cramton	Freeman	Hudson
Boyce	Croll	French	Hull, Iowa
Boylan	Crowther	Frothingham	Hull, Tenn.
Brand, Ga.	Cullen	Fulbright	Hull, Morton D.
Brand, Ohio	Cummings	Fuller	Hull, William E.
Briggs	Curry	Fulmer	Humphreys
Britten	Dallinger	Gallivan	James
Browne, N. J.	Darrow	Garber	Jeffers
Brumm	Davey	Gasque	Johnson, Ky.
Buckley	Davis, Tenn.	Geran	Johnson, Tex.
Bulwinkle	Deal	Gibson	Johnson, Wash.
Burdick	Dickinson, Iowa	Gifford	Johnson, W. Va.
Jones	Major, Ill.	Purnell	Swoope
Jost	Major, Mo.	Quayle	Taber
Kearns	Manlove	Ragon	Tague
Kelly	Mansfield	Rainey	Taylor, Tenn.
Kendall	Mapes	Ransley	Temple
Kent	Martin	Rathbone	Thatcher
Kerr	Mead	Rayburn	Thompson
Ketcham	Merritt	Reece	Tilson
Kiess	Michaelson	Reed, N. Y.	Timberlake
Kincheloe	Michener	Reid, Ill.	Tincher
Kindred	Miller, Ill.	Roach	Tinkham
King	Miller, Wash.	Robinson, Iowa	Treadway
Knutson	Milligan	Rogers, Mass.	Tucker
Kunz	Mills	Rogers, N. H.	Tydings
Kurtz	Minahan	Rosenbloom	Underhill
Langley	Montague	Salmon	Underwood
Lanham	Mooney	Sanders, Ind	Upshaw
Lankford	Moore, Ga.	Sanders, N. Y.	Vestal
Larsen, Ga.	Moore, Ill.	Sanders, Tex.	Vincent, Mich.
Larson, Minn.	Moore, Ohio	Sandlin	Vinson, Ga.
Lazaro	Moore, Va.	Schall	Vinson, Ky.
Lea, Calif.	Moores, Ind.	Scott	Walnwright
Leatherwood	Morgan	Sears, Fla.	Ward, N. C.
Leavitt	Morin	Sears, Nebr.	Ward, N. Y.
Lee, Ga.	Morris	Seger	Wason
Lehlbach	Morrow	Shreve	Watkins
Lindsay	Murphy	Simmons	Watres
Lineberger	Nelson, Me.	Sinnott	Watson
Linthicum	Newton, Minn.	Sites	Weaver
Little	Newton, Mo.	Smith	Weller
Logan	O'Brien	Smithwick	Welsh
Longworth	O'Connell, N. Y.	Snell	Wertz
Luce	O'Connell, R. I.	Snyder	White, Kans.
Lyon	O'Connor, La.	Speaks	White, Me.
McClintic	O'Connor, N. Y.	Sproul, Ill.	Williams, Ill.
McDuffie	O'Sullivan	Sproul, Kans.	Williams, Mich.
McFadden	Oliver, Ala.	Stalker	Wilson, Ind.
McKenzie	Oliver, N. Y.	Steagall	Wingo
McKeown	Paige	Stedman	Winslow
McLaughlin, Mich.	Park, Ga.	Stengle	Winter
McLaughlin, Nebr.	Parker	Stephens	Wood
McLeod	Parks, Ark.	Stevenson	Woodruff
McNulty	Patterson	Strong, Kans.	Woodrum
McReynolds	Peery	Strong, Pa.	Wright
McSweeney	Perkins	Sullivan	Wurzbach
MacGregor	Perlman	Summers, Wash.	Wyant
MacLafferty	Phillips	Sumners, Tex.	Yates
Madden	Porter	Sweet	Young
Magee, N. Y.	Pou	Swing	Zihlman
Magee, Pa.	Prall		

NOT VOTING—17.

Berger	Funk	Reed, W. Va.	Vare
Black, Tex.	Hersey	Robsion, Ky.	Wilson, La.
Buchanan	Kahn	Rouse	
Dempsey	Kopp	Taylor, Colo.	
Denison	Lilly	Thomas, Ky.	

So the Crisp substitute for the motion to recommit was rejected.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Funk with Mr. Wilson of Louisiana.
Mr. Dempsey with Mr. Thomas of Kentucky.
Mr. Kahn with Mr. Rouse.
Mr. Reed of West Virginia with Mr. Berger.
Mr. Hersey with Mr. Buchanan.
Mr. Vare with Mr. Black of Texas.
Mr. Denison with Mr. Lilly.

Mr. GALLIVAN. Mr. Speaker, on this roll I voted "no." I am paired with the gentleman from Pennsylvania, Mr. VARE, and I am informed that if he were present, he would vote "no." Therefore I desire to have my vote stand.

The result of the vote was announced as above recorded.

The SPEAKER. The question now is on the motion of the gentleman from New York [Mr. MILLS] to recommit the bill to the Committee on Ways and Means.

The question was taken; and on a division (demanded by Mr. BLANTON) there were—ayes 10, noes 322.

So the motion to recommit was rejected.

The SPEAKER. The question now is on the passage of the bill.

Mr. GREEN of Iowa. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The question was taken; and there were—yeas 408, nays 8, not voting 15, as follows:

YEAS—408.

Abernethy	Beck	Brand, Ohio	Cable
Ackerman	Beedy	Briggs	Campbell
Aldrich	Beers	Britten	Canfield
Allen	Begg	Browne, N. J.	Cannon
Allgood	Bell	Browne, Wis.	Carew
Almon	Bixler	Browning	Carter
Anderson	Black, N. Y.	Brumm	Casey
Andrew	Bland	Buckley	Celler
Anthony	Blanton	Bulwinkle	Chindblom
Arnold	Bloom	Burdick	Christopherson
Aswell	Boies	Burtness	Clague
Ayres	Bowling	Burton	Clancy
Bacon	Box	Busby	Clark, Fla.
Bankhead	Boyce	Butler	Clarke, N. Y.
Barbour	Boylan	Byrnes, S. C.	Cleary
Barkley	Brand, Ga.	Byrns, Tenn.	Cole, Iowa

Cole, Ohio	Hawes	Mansfield	Seger
Collier	Hawley	Mapes	Shallenberger
Collins	Hayden	Martin	Sherwood
Colton	Hickey	Mead	Shreve
Connally, Tex.	Hill, Ala.	Michaelson	Simmons
Connery	Hill, Md.	Michener	Sinclair
Connolly, Pa.	Hill, Wash.	Miller, Ill.	Sinnott
Cook	Hoch	Miller, Wash.	Sites
Cooper, Ohio	Holaday	Milligan	Smith
Cooper, Wis.	Hooker	Minahan	Smithwick
Corning	Howard, Okla.	Montague	Snell
Cramton	Huddleston	Mooney	Snyder
Crisp	Hudson	Moore, Ga.	Speaks
Croll	Hudspeth	Moore, Ill.	Sproul, Ill.
Crosser	Hull, Morton D.	Moore, Ohio	Sproul, Kans.
Crowther	Hull, William E.	Moore, Va.	Stalker
Cullen	Hull, Iowa	Moores, Ind.	Steagall
Cummings	Hull, Tenn.	Morehead	Stedman
Curry	Humphreys	Morgan	Stengle
Dallinger	Jacobstein	Morin	Stephens
Darrow	James	Morris	Stevenson
Davey	Jeffers	Morrow	Strong, Kans.
Davis, Minn.	Johnson, Ky.	Murphy	Strong, Pa.
Davis, Tenn.	Johnson, S. Dak.	Nelson, Me.	Sullivan
Deal	Johnson, Tex.	Nelson, Wis.	Summers, Wash.
Denison	Johnson, Wash.	Newton, Minn.	Sumners, Tex.
Dickinson, Iowa	Johnson, W. Va.	Newton, Mo.	Swank
Dickson, Mo.	Jones	Nolan	Sweet
Dickstein	Jost	O'Brien	Swing
Dominick	Kearns	O'Connell, N. Y.	Swoope
Doughton	Keller	O'Connell, R. I.	Taber
Dowell	Kelly	O'Connor, La.	Tague
Doyle	Kendall	O'Connor, N. Y.	Taylor, Tenn.
Drane	Kent	O'Sullivan	Taylor, W. Va.
Drewry	Kerr	Oldfield	Temple
Driver	Ketcham	Oliver, Ala.	Thatcher
Dyer	Kiess	Oliver, N. Y.	Thomas, Okla.
Eagan	Kincheloe	Paige	Thompson
Edmonds	Kindred	Park, Ga.	Tillman
Elliott	King	Parker	Timberlake
Evans, Iowa	Knutson	Parks, Ark.	Tincher
Evans, Mont.	Kunz	Patterson	Tinkham
Fairchild	Kurtz	Peavey	Treadway
Fairfield	Kvale	Peery	Tucker
Faust	LaGuardia	Perkins	Tydings
Favrot	Lampert	Perlman	Underhill
Fish	Langley	Phillips	Underwood
Fisher	Lanham	Porter	Upshaw
Fitzgerald	Lankford	Pou	Vaile
Fleetwood	Larsen, Ga.	Prall	Vestal
Foster	Larson, Minn.	Purnell	Vincent, Mich.
Frear	Lazaro	Quayle	Vinson, Ga.
Fredericks	Lea, Calif.	Quin	Vinson, Ky.
Free	Leatherwood	Ragon	Voigt
Freeman	Leavitt	Rainey	Ward, N. C.
French	Lee, Ga.	Raker	Ward, N. Y.
Frothingham	Lehlbach	Ramseyer	Wason
Fulbright	Lindsay	Rankin	Watkins
Fuller	Lineberger	Ransley	Watres
Fulmer	Linthicum	Rathbone	Watson
Gallivan	Little	Rayburn	Weaver
Garber	Logan	Reece	Wefald
Gardner, Ind.	Longworth	Reed, Ark.	Weller
Garner, Tex.	Lowrey	Reed, N. Y.	Welsh
Garrett, Tenn.	Lozier	Reid, Ill.	Wertz
Garrett, Tex.	Luce	Richards	White, Kans.
Gasque	Lyon	Roach	White, Me.
Geran	McClintic	Robinson, Iowa	Williams, Ill.
Gibson	McDuffie	Robsion, Ky.	Williams, Mich.
Gifford	McKenzie	Rogers, Mass.	Williams, Tex.
Gilbert	McKeown	Rogers, N. H.	Williamson
Glatfelter	McLaughlin, Mich.	Romjue	Wilson, Ind.
Goldsborough	McLaughlin, Nebr.	Rosenbloom	Wilson, Miss.
Graham, Ill.	McLeod	Rubey	Wingo
Graham, Pa.	McNulty	Sabath	Winslow
Green, Iowa	McReynolds	Salmon	Winter
Greene, Mass.	McSwain	Sanders, Ind.	Wolff
Greenwood	McSweeney	Sanders, N. Y.	Wood
Griest	MacGregor	Sanders, Tex.	Woodruff
Griffin	MacLafferty	Sandlin	Woodrum
Hadley	Madden	Schafer	Wright
Hammer	Magee, N. Y.	Schall	Wurzbach
Hardy	Magee, Pa.	Schneider	Wyant
Harrison	Major, Ill.	Scott	Yates
Hastings	Major, Mo.	Sears, Fla.	Young
Haugen	Manlove	Sears, Nebr.	Zihlman

NAYS—8.

Bacharach	Howard, Nebr.	Merritt	Tilson
Fenn	McFadden	Mills	Wainwright

NOT VOTING—15.

Berger	Funk	Lilly	Thomas, Ky.
Black, Tex.	Hersey	Reed, W. Va.	Vare
Buchanan	Kahn	Rouse	Wilson, La.
Dempsey	Kopp	Taylor, Colo.	

So the bill was passed.

The Clerk announced the following additional pairs:

Until further notice:

Mr. Funk with Mr. Wilson of Louisiana.
Mr. Dempsey with Mr. Thomas of Kentucky.
Mr. Vare with Mr. Black of Texas.
Mr. Hersey with Mr. Buchanan.
Mr. Kahn with Mr. Rouse.
Mr. Reed of West Virginia with Mr. Lilly.

Mr. GALLIVAN. Mr. Speaker, the gentleman from Pennsylvania, Mr. VARE, is unavoidably absent. If he were present, he would vote "yea."

Mr. KINCHELOE. Mr. Speaker, I am authorized by my colleague, Mr. ROUSE, who is unavoidably absent, to say that if he were present he would vote "yea."

The result of the vote was announced as above recorded.

On motion of Mr. GREEN of Iowa, a motion to reconsider the vote whereby the bill was passed was laid on the table.

LEAVE OF ABSENCE.

By unanimous consent, leave of absence was granted as follows:

To Mr. BLACK of Texas (at the request of Mr. GARNER of Texas), for 10 days, on account of the death of his brother;

To Mr. BUCHANAN, for 10 days, on account of illness in his family; and

To Mr. REID of Illinois, for five days, on account of important business.

REVENUE ACT OF 1924.

Mr. BROWNE of New Jersey. Mr. Speaker, when the tax-reduction plans were presented for public discussion and believing that tax reduction was a national and not a partisan issue I went to my district to find out the wishes of my constituency upon these plans. I invited suggestions and advice. I wrote many personal letters and published in the press an appeal for instruction. This appeal was as follows:

In the near future an opportunity will be given to the Members of the House of Representatives to vote upon a tax-reduction plan. Perhaps we shall have to choose between two or three or more. It is my desire to be able to vote on this subject in an intelligent manner, without bias due to party affiliations. I am, therefore, taking the liberty of asking all qualified persons within the district to let me know their views. Which of the plans under discussion do you think would best serve the country? I should like to hear your reasons for your preference.

I ask this because we have received hundreds of printed letters asking us to support, for example, the Mellon plan and signed "on the dotted line," and most of these letters have come from persons who haven't read any plan and who do not know that there is more than one plan under consideration. One reasoning letter from a person in whose intelligence and disinterestedness I have confidence would be worth more than all the printed appeals put together. For this reason I ask your advice.

I received many well-thought-out replies, and the sentiment in my district seemed to be overwhelmingly in favor of the plan suggested by the Secretary of the Treasury.

Upon my return I was surprised to learn that it was the intention of the leaders of my party to bind all of its members by a caucus to the so-called Democratic plan as proposed by Mr. GARNER. I protested to the minority leader before the caucus was held on the grounds that the plan had not been discussed among the Democratic Members and also, inasmuch as all parties and all Members of the House wanted tax reduction, it could not be considered an exclusive principle of any party. I was not present at the caucus. After the action by the caucus and before a vote was taken upon the tax bill I again wrote to the minority leader, explaining to him what I had done to ascertain the wishes of the residents in my district, and saying that in justice to them and to myself I could not allow myself to be bound by a caucus to which I was not a party. While it is not necessary to discuss the point here, I may say that I consider a binding caucus an archaic custom and wrong in principle; carried to its logical conlusion, we should each of us give his or her proxy to the respective party leaders and then retire for the rest of the session. I make this explanation in order to show that though I have in no way weakened in my adherence to the principles of the Democratic Party I must claim my inherent, if not constitutional, right to vote in accordance with the wishes of my constituents and in conformity with my convictions. For the reasons here given, I voted in the House Friday, February 29, for the Mellon plan—under the Hawley resolution—because I believed it represents the wishes of my constituents. The House failing to adopt the Mellon plan, I then voted for the next best plan obtainable, which is the compromise which was finally adopted.

Mr. MILLS. Mr. Speaker, I can not support the bill with the Longworth rates. As I see it, real questions of principle are at stake, and the Longworth compromise, though in many respects better than the Garner plan, is equally inconsistent with those principles.

Forty-three and one-half per cent—6 per cent normal and 37½ per cent surtax—of income can be no more easily collected than 50 per cent, and we know from experience that a 50 per cent tax merely invites evasion. A tax which can not be collected is a dishonest tax. A law which can not be enforced is a fraud. When, in addition, this mere shaking of fists at the rich, this threatening, if ineffective, gesture, has deplorable economic results it is simply indefensible.

In the second place, the inheritance-tax situation throughout the country, with the double and triple taxation of the same

estate by two or more States, is sufficiently chaotic without further haphazard interference by the Federal Government. Here is a field for wise tax reform in which I am satisfied the Federal Government must take the lead in working out a comprehensive and constructive program of readjustment. The difficulties are enormous. They can not be overcome without a thorough and painstaking investigation and study. An arbitrary increase in rates without hearings, without consideration, after a short two hours of debate, is trifling with a most important question and must have most unfortunate results.

Finally, the bill will in all probability produce a deficit, a smaller deficit than the Garner rates, but still a deficit. This is a major defect in a revenue bill, justifying its rejection.

Mr. GRIEST. Mr. Speaker, the pending tax bill if enacted into law will take its place among more than three score tax measures placed upon the statute books of the United States since the beginning of our Government.

I present the following compilation of all these measures, giving the date of their enactment and the taxable subjects referred to therein, for the information of the Congress and the country. It is believed by the officials of the Legislative Reference Division of the Library of Congress that the enactments named below cover all the tax laws other than tariff acts and purely administrative and repealing provisions enacted by Congress since the establishment of our Government:

INTERNAL REVENUE LAWS, 1789–1923.

(Exclusive of taxes on liquor and tobacco, administrative provisions, and laws merely repealing taxes.)

Act of June 5, 1794: Tax on carriages (1 Stat. 373–375).

Act of June 5, 1794: Tax on snuff and refined sugar (1 Stat. 384–390).

Act of June 9, 1794: Tax on property sold at auction (1 Stat. 397–400).

Act of May 28, 1796: Tax on carriages (1 Stat. 478–482).

Act of July 6, 1797: Tax on vellum, parchment, and paper, including paper used for certificates of naturalization, licenses of attorneys, letters patent, charter parties, bottomry and respondentia bonds, receipts for legacies, insurance policies, exemplifications, bonds, bills of exchange, promissory notes, protests, powers of attorney, drawback certificates and debentures, bills of lading, inventories, insurance and bank shares (1 Stat. 527–532).

Act of February 28, 1799: Amendment of act of July 6, 1797 (1 Stat. 622–624).

Act of July 24, 1813: Tax on refined sugar (3 Stat. 35–38).

Act of July 24, 1813: Tax on carriages (3 Stat. 40–41).

Act of July 24, 1813: Tax on sales at auction (3 Stat. 44–47).

Act of August 2, 1813: License tax on retailers of liquor and foreign merchandise (3 Stat. 72–73).

Act of August 2, 1813: Tax on bank notes, bonds, and bills of exchange (3 Stat. 77–81).

Act of December 15, 1814: Tax on carriages (3 Stat. 148–151).

Act of December 23, 1814: Tax on sales at auction, license tax on retailers of liquors and foreign merchandise (3 Stat. 159–161).

Act of January 18, 1815: Tax on manufactured iron, candles, hats, umbrellas, paper, playing and visiting cards, saddles and bridles, boots, leather (3 Stat. 180–186).

Act of January 18, 1815: Tax on household furniture and watches (3 Stat. 186–192).

Act of February 27, 1815: Tax on gold, silver, and jewelry (3 Stat. 217).

Act of August 5, 1861: Tax on incomes over $800 (12 Stat. 309–311).

Act of July 1, 1862: Tax on candles, coal, oil, gas, coffee, spices, sugar, confectionery, chocolate, saleratus, starch, gunpowder, white lead, oxide of zinc, sulphate of barytes, paints, clock movements, pins, umbrellas, screws, manufactured iron, stoves, paper, soap, salt, pickles, glue, cement, leather, hides, hose, varnish, furs, cloth, jewelry, cotton, manufactures of nonenumerated articles, sales at auction, carriages, yachts, billiard tables, gold and silver plate, slaughtered cattle, etc., railroad, etc., receipts, railroad bonds, banks, insurance companies, advertisements, incomes, contracts, checks, bills of exchange, bills of lading, express receipts, bonds, certificates, charter parties, conveyances, telegraph messages, entry of merchandise, insurance policies, leases, manifests, mortgages, tickets, powers of attorney, letters of administration, protests, warehouse receipts, writs, etc., medicinal preparations, perfumery, playing cards, legacies. License tax on bankers, auctioneers, retail dealers, wholesale dealers, pawnbrokers, innkeepers, brokers, theaters, circuses, jugglers, bowling alleys, billiard rooms, confectioners, horse dealers, livery-stable keepers, tallow chandlers and soap makers, coal-oil distillers, peddlers, apothecaries, manufacturers, photographers, lawyers, physicians, surgeons, dentists, claim and patent agents (12 Stat. 432–489).

Act of July 16, 1862: Tax on sugar (12 Stat. 588).

Act of March 3, 1863: Amendment of act of July 1, 1862, adding license tax on architects and civil engineers, builders and contractors, owners of stallions and jacks, lottery-ticket dealers, insurance agents, butchers; taxes on marine engines, rivets, etc., rolled brass, sails, tents, etc., mineral waters, gold leaf, clocks (12 Stat. 713–731).

Act of June 30, 1864: License tax on bankers, wholesale dealers, retail dealers, lottery-ticket dealers, horse dealers, livery-stable keepers, brokers, pawnbrokers, coal-oil distillers, innkeepers, confectioners, claim and patent agents, real estate agents, conveyancers, intelligence-office keepers, insurance agents, auctioneers, manufacturers, peddlers, apothecaries, photographers, butchers, theaters, museums, concert halls, circuses, jugglers, bowling alleys, billiard rooms, gift enterprises, owners of stallions and jacks, lawyers, physicians, surgeons, dentists, architects, civil engineers, builders and contractors, plumbers and gasfitters, assayers, and unspecified occupations. Tax on candles, coal, oil, gas, turpentine, coffee, pepper, molasses, sirup, sugar, candy, chocolate, saleratus, starch, gunpowder, white lead, oxide of zinc, sulphate of barytes, paints, varnish, glue, cement, pins, screws, clocks, umbrellas, gold leaf, paper, soap, chemicals, essential oils, pickles, billheads, books, lithographs, engravings, photographs, repairs of engines, etc., hulls of vessels, building stone, marble, brick, masts, spars, etc., furniture, salt, sails, tents, etc., mineral waters, manufactured iron, stoves, rivets, etc., steam engines, quicksilver, copper and lead, rolled brass, leather, hides, furs, cloth, clothing, cotton, jewelry, bullion, sales at auction, sales by brokers, carriages, yachts, billiard tables, watches, musical instruments, gold and silver plate, slaughtered cattle, etc., railroad, etc., receipts, express companies, insurance companies, passports, telegraph companies, theaters, operas, circuses, museums, banks, lotteries, advertisements, incomes, legacies, etc., contracts, checks, bills of exchange, bills of lading, bills of sale, bonds, certificates, charter parties, conveyances, entry of merchandise, insurance policies, leases, manifests, measurer's returns, mortgages, tickets, powers of attorney, proxies, letters of administration, protests, receipts, writs, etc., medicinal preparations, perfumery, matches, photographs, playing cards (13 Stat. 223–306).

Act of July 4, 1864: Tax on incomes over $600 for 1863 (13 Stat. 417).

Act of March 3, 1865: Amendment of act of June 30, 1864. Adds license tax on miners, expressmen, substitute brokers, insurance brokers (13 Stat. 469–482).

Act of July 13, 1866: Amendment of act of June 30, 1864. Tax on cotton, candles, gas, oil, turpentine, coffee, molasses, sirup, sugar, candy, chocolate and cocoa, guncotton, gunpowder, varnish, glue, cement, pins, photographs, screws, clocks, soap, essential oils, furniture, salt, scales, pumps, tinware, manufactured iron, hides, leather, liquors, cloth, clothing, paper, manufactures, jewelry, bullion, sales at auction, sales by brokers, carriages, watches, billiard tables, gold and silver plate, railroad, etc., receipts. License tax on bankers, wholesale dealers, retail dealers, lottery-ticket dealers, horse dealers, livery-stable keepers, brokers, pawnbrokers, innkeepers, confectioners, claim and patent agents, real estate agents, conveyancers, intelligence-office keepers, insurance agents, auctioneers, manufacturers, peddlers, apothecaries, photographers, butchers, proprietors of theaters, museums, and concert halls, circuses, jugglers, bowling alleys, billiard rooms, gift enterprises, owners of stallions and jacks, lawyers, physicians, surgeons, dentists, architects, civil engineers, builders and contractors, plumbers and gasfitters, assayers, miners, express carriers and agents, grinders of coffee and spices (14 Stat. 98–173).

Act of March 2, 1867: Amendment of act of June 30, 1864, etc. (14 Stat. 471–485).

Act of July 20, 1868: Special taxes on liquor and tobacco manufacturers, dealers, etc. (15 Stat. 150–152).

Act of April 10, 1869: Special taxes on liquor dealers (16 Stat. 42).

Act of July 14, 1870: Tax on incomes over $2,000 for 1870 and 1871 (16 Stat. 257–261).

Act of June 6, 1872: Special taxes on tobacco manufacturers, dealers, etc. (17 Stat. 250–271).

Act of February 8, 1875: Tax on checks and bank notes. Special taxes on liquor dealers, etc. (18 Stat. 310–311).

Act of March 1, 1879: Special taxes on liquor dealers, etc. (20 Stat. 333, sec. 4).

Act of March 1, 1879: Special tax on dealers in leaf tobacco (20 Stat. 343, sec. 14).

Act of March 3, 1883: Special taxes on tobacco manufacturers, dealers, etc. (22 Stat. 488, sec. 2).

Act of August 2, 1886: Tax on oleomargarine (24 Stat. 209–213).

Act of October 1, 1890: Tax on opium (25 Stat. 620–621).

Act of August 27, 1894: Tax on incomes over $4,000 and on playing cards (28 Stat. 553–562).

Act of June 6, 1896: Tax on filled cheese (29 Stat. 253–256).

Act of June 13, 1898: War revenue act. Special tax on bankers, brokers, pawnbrokers, proprietors of theaters, museums, concert halls, circuses, public exhibitions, bowling alleys, and billiard rooms, and tobacco manufacturers, dealers, etc. Tax on bonds, debentures, certificates, sales, etc., on exchanges, checks, bills of exchange, bills of lading, telephone messages, charter parties, contracts, conveyancers, telegrams, entry of merchandise, insurance policies, leases, manifests,

mortgages, tickets, powers of attorney, proxies, protests, warehouse receipts, medicinal preparations, perfumery, chewing gum, refiners of sugar and petroleum, legacies, mixed flour (30 Stat. 448–470).

Act of March 2, 1901: Amendment of war revenue act. Special tax on bankers, brokers, pawnbrokers, proprietors of theaters, museums, and concert halls, circuses, public exhibitions, bowling alleys, billiard rooms. Tax on bonds, debentures, certificates, sales, etc.; on exchanges, bills of exchange, bills of lading, bonds, contracts, conveyances, entry of merchandise, tickets (31 Stat. 938–950).

Act of May 9, 1902: Tax on oleomargarine, etc. (32 Stat. 193–197.)

Act of August 5, 1909: Tax on corporations. (36 Stat. 112–117.)

Act of April 9, 1912: Tax on white phosphorous matches. (37 Stat. 81–84.)

Act of October 3, 1913: Tax on incomes over $3,000. (38 Stat. 166–181.)

Act of January 17, 1914: Tax on opium. (38 Stat. 277–278.)

Act of August 18, 1914: Tax on cotton exchanges. (38 Stat. 693–698.)

Act of October 22, 1914: Practically identical with war revenue act of 1898. (38 Stat. 745–764.)

Act of September 8, 1916: Tax on incomes over $3,000; on estates, munition manufacturers, corporations, brokers, pawnbrokers, proprietors of theaters, museums, concert halls, circuses, public exhibitions, bowling alleys, and billiard rooms, and manufacturers of tobacco, cigars, and cigarettes. (39 Stat. 756–801.)

Act of March 3, 1917: Tax on profits of over 8 per cent; increase of estate tax. (39 Stat. 1000–1004.)

Act of October 3, 1917: Increase of tax on incomes and estates; tax on war excess profits, soft drinks, transportation, telegraph and telephone messages, insurance, motor vehicles, musical instruments, moving-picture films, jewelry, sporting goods, toilet articles, proprietary medicines, chewing gum, cameras, yachts, motor boats, admissions, dues, bonds, stock issues and transfers, sales on exchanges, notes, deeds, customhouse entries, tickets, proxies, powers of attorney, playing cards, parcel-post packages. (40 Stat. 300–338.)

Act of February 24, 1919: Tax on incomes over $1,000, war profits and excess profits, estates, transportation, telegraph and telephone messages, insurance, soft drinks, ice-cream parlors, admissions, dues, motor vehicles, musical instruments, sporting goods, chewing gum, cameras, films, etc., candy, weapons, fans, thermos bottles, smokers' articles, slot machines, liveries, hunting garments, furs, yachts, motor boats, works of art, miscellaneous luxuries, etc., jewelry, motion-picture rentals, toilet articles, proprietary medicines, corporations, brokers, pawnbrokers, proprietors of theaters, museums, concert halls, circuses, public exhibitions, bowling alleys, billiard rooms, shooting galleries, riding academies, and taxicabs, brewers, distillers, liquor dealers, etc., manufacturers of tobacco, etc., opium, etc., bonds, stock issues and transfers, sales on exchanges, notes, deeds, customhouse entries, tickets, proxies, powers of attorney, playing cards, parcel-post packages, insurance, products of factories, etc., employing child labor. (40 Stat. 1057–1152.)

Act of November 23, 1921: Tax on incomes over $1,000, war profits and excess profits (for one year only), estates, telegraph and telephone messages, soft drinks, admissions, dues, motor vehicles, cameras, films, etc.; candy, weapons, smokers' articles, slot machines, liveries, hunting garments, yachts, motor boats, works of art, miscellaneous luxuries, etc.; jewelry, corporations, brokers, pawnbrokers, proprietors of theaters, museums, concert halls, circuses, public exhibitions, bowling alleys, billiard rooms, shooting galleries, riding academies and taxicabs, brewers, distillers, liquor dealers, etc.; manufacturers of tobacco, etc.; narcotics, bonds, stock issues and transfers, sales on exchanges, notes, deeds, customhouse entries, tickets, proxies, powers of attorney, playing cards, insurance; products of factories, etc., employing child labor (42 Stat. 227–321).

ACTS OF CONGRESS IMPOSING TAXES ON WINES, 1789–1923.

Act of July 1, 1862: Rate, 5 cents per gallon, on grape wine only (12 Stat. 465, sec. 75).

Act of June 30, 1864: Rates, 5 cents per gallon on grape wine; 50 cents per gallon on other wines not made from currants, rhubarb or berries and mixed with other spirits (13 Stat. 269, sec. 94).

Act of March 3, 1865: Increase of 20 per cent of duties levied by act of June 30, 1864 (13 Stat. 483, sec. 5).

Act of July 13, 1866: Tax on wines not made from grapes, currants, rhubarb, or berries and mixed with other spirits, 50 cents per gallon (p. 158, sec. 36); tax on wines in imitation of champagne or sparkling wine, put up in bottles, $3 to $6 per dozen bottles (14 Stat. 131).

Act of July 20, 1868, amended by act of July 27, 1868: Tax on imitation wines and liquor mixed with other spirits to be sold as wine, $3 to $6 per dozen bottles (15 Stat. 144, sec. 48; 15 Stat. 238).

Act of June 6, 1872: Tax on imitation wines and compounds as in act of July 20, 1868, 10 cents per bottle and up, depending on size (17 Stat. 240).

Act of June 13, 1898: Stamp tax on all wines bottled for sale, 1 or 2 cents per bottle (30 Stat. 451, secs. 6, 463).

Act of March 2, 1901: Same as act of June 13, 1898 (31 Stat. 940, secs. 5, 946).

Act of October 22, 1914: Stamp tax on still wines, one-half to 2 cents per bottle, or at rate of 8 cents per gallon; on sparkling wines, 5 to 20 cents per bottle, or at rate of 20 cents per quart. Tax of 55 cents per gallon on wine spirits used in rectification (38 Stat. 746–747).

Act of September 8, 1916: Tax on still wines and imitations, etc., 4 cents per gallon on wine containing up to 14 per cent alcohol; 10 cents per gallon on wine containing between 14 per cent and 21 per cent alcohol; 25 cents per gallon on wines containing between 21 per cent and 24 per cent alcohol (p. 784, sec. 402 (c)). Tax of 10 cents a gallon on wine spirits used in fortification (p. 786, sec. 402 (c)). Tax on sparkling wines, 8 cents on each half pint or fraction thereof; on artificially carbonated wine, 1½ cents on each half pint or fraction (39 Stat. 783, sec. 402 (a)).

Act of October 3, 1917: Additional tax of 15 cents per proof gallon on wines refined or rectified by persons classed as rectifiers (p. 311, sec. 311). Additional tax on wine spirits used in fortification, equal to double the tax under act of September 8, 1916 (40 Stat. 310, sec. 304).

Act of February 24, 1919: Tax of 30 cents per gallon on wines refined or mixed by persons classed as rectifiers (p. 1110, sec. 611). Tax on still wines, imitations, etc.; 16 cents per gallon on wine containing up to 14 per cent alcohol; 40 cents per gallon on wine containing between 14 and 21 per cent alcohol; $1 per gallon on wine containing between 21 per cent and 24 per cent alcohol (sec. 612). Tax of 60 cents per gallon on wine spirits used in fortification. (Sec. 613). Tax on sparkling wines, 12 cents per half pint or fraction thereof; on artificially carbonated wine, 6 cents per half pint or fraction (40 Stat. 1108, sec. 605).

ACTS OF CONGRESS IMPOSING TAXES ON DISTILLED SPIRITS, 1789–1923.

Act of March 3, 1791: Tax according to hydrometric proof; on spirits distilled from foreign materials, from 11 to 30 cents a gallon; on spirits distilled from domestic materials, from 9 to 25 cents a gallon (1 Stat. 202, sec. 14; 203, sec. 15).

Act of May 8, 1792: Tax according to class of proof; on spirits distilled from foreign materials, from 10 to 25 cents a gallon; on spirits distilled from domestic materials, from 7 to 18 cents a gallon (1 Stat. 267).

Act of December 21, 1814: Tax of 20 cents a gallon on spirits distilled from foreign or domestic materials (3 Stat. 152).

Act of July 1, 1862: Tax of 20 cents a gallon of first proof, with proportionate increase for greater strength (12 Stat. 447, sec. 41).

Act of March 7, 1864: Tax of 60 cents a gallon of first proof, with proportionate increase for greater strength (13 Stat. 14, sec. 1).

Act of June 30, 1864: Tax of $1.50 a gallon from July 1, 1864, to February 1, 1865 (by act of December 22, 1864 (13 Stat. 420), this date was changed to January 1, 1865); after February 1, 1865 (by act of December 22, 1864 (13 Stat. 420), this date was changed to January 1, 1865), $2; tax on brandy distilled from grapes, 25 cents a gallon (13 Stat. 248, sec. 55; 244, sec. 58).

Act of March 3, 1865: Tax on brandy distilled from grapes increased to 50 cents a gallon; tax on brandy distilled from apples or peaches fixed at $1.50 a gallon (13 Stat. 472).

Act of July 13, 1866: Tax of $2 a proof gallon (14 Stat. 157, sec. 32).

Act of March 2, 1867: Tax of $2 a proof gallon; tax on brandy made from grapes, $1 a gallon (14 Stat. 477, sec. 12; 480, sec. 14).

Act of July 20, 1868: Tax of 50 cents a proof gallon (15 Stat. 125, sec. 1).

Act of June 6, 1872: Tax of 70 cents a proof gallon (17 Stat. 238, sec. 12).

Act of March 3, 1875: Tax of 90 cents a proof gallon (18 Stat. 339, sec. 1).

Act of August 27, 1894: Tax of $1.10 a proof gallon (28 Stat. 563, sec. 48).

Act of October 3, 1917: Tax of $1.10 (or $2.10 if for beverage purposes) a proof gallon in addition to existing tax. Additional tax for rectifying, 15 cents a proof gallon (40 Stat. 308, sec. 300; 309, sec. 303; 310, sec. 304).

Act of February 24, 1919: Tax of $2.20 (or $6.40 if for beverage purposes) a proof gallon. Floor tax of $3.20 a proof gallon on stock on hand if intended for beverage purposes. Additional tax for rectifying, 30 cents a proof gallon (40 Stat. 1105, 1107, 1108).

Act of November 23, 1921: Tax of $4.20 a proof gallon on spirits diverted from nonbeverage to beverage purposes (42 Stat. 285, sec. 600).

ACTS OF CONGRESS IMPOSING TAXES ON CIGARS AND CIGARETTES.

Act of January 18, 1815: Duty on "manufactured segars," 20 per cent ad valorem (3 Stat. 180, sec. 1).

Act of July 1, 1862: Rate on cigars, $1.50 to $3.50 per thousand, according to value (12 Stat. 464, sec. 75).

Act of June 30, 1864: Rate on cigarettes: (a) If paper wrapped, $1 per hundred packages; (b) if wholly of tobacco, including cheroots, $3 per thousand. Rate on cigars, $8 to $40 per thousand, according to value (13 Stat. 270, sec. 94).

Act of March 3, 1865: Rate on cigarettes in paper wrappers, 5 cents per package; on cigarettes and cigars made wholly of tobacco, $10 per thousand (13 Stat. 477).

Act of July 13, 1866: Rate on cigars and cigarettes valued at not over $8 per thousand, $2 per thousand; valued between $8 and $12, $4 per thousand; valued at over $12, $4 per thousand plus 20 per cent ad valorem (14 Stat. 133).

Act of March 2, 1867: Rate on all cigars and cigarettes, $5 per thousand (14 Stat. 474).

Act of July 20, 1868: Rate on all cigars, $5 per thousand; on cigarettes weighing not more than 3 pounds per thousand, $1.50 per thousand; weighing over 3 pounds per thousand, $5 per thousand (15 Stat. 160, sec. 81).

Act of March 3, 1875: Increase of rates prescribed by act of July 20, 1868 (as included in R. S. 3394), from $5 to $6 (18 Stat. 339, sec. 2).

Act of March 3, 1883: Rate on all cigars, $3 per thousand; on cigarettes weighing not over 3 pounds per thousand, 50 cents per thousand; weighing over 3 pounds per thousand, $3 per thousand (22 Stat. 489, sec. 4).

Act of July 24, 1897: Rate on cigars and cigarettes weighing over 3 pounds per thousand, $3 per thousand; weighing not over 3 pounds per thousand, $1 per thousand (30 Stat. 206, sec. 10).

Act of June 13, 1898: Rate on cigars and cigarettes weighing more than 3 pounds per thousand, $3.60 per thousand; on cigars weighing not more than 3 pounds, $1 per thousand; on cigarettes weighing not more than 3 pounds, $1.50 per thousand (30 Stat. 449, sec. 3).

Act of March 2, 1901: Rate on cigars weighing over 3 pounds per thousand, $3 per thousand; weighing not more than 3 pounds, 18 cents a pound. Rate on cigarettes (all weighing not more than 3 pounds per thousand), 18 cents per pound, if valued at not over $2 per thousand; 36 cents a pound if valued at more than $2 per thousand (31 Stat. 939, sec. 3).

Act of April 12, 1902: Same as act of March 2, 1901 (32 Stat. 97, sec. 3).

Act of August 5, 1909: Rate on cigars weighing over 3 pounds per thousand, $3 per thousand; weighing not more than 3 pounds, 75 cents per thousand. Rate on cigarettes weighing over 3 pounds, $3.60 per thousand; weighing not over 3 pounds, $1.25 per thousand (36 Stat. 110, sec. 33).

Act of October 3, 1917: Rates as follows: Cigars (a) weighing not more than 3 pounds per thousand, 25 cents per thousand; (b) weighing more than 3 pounds per thousand, from $1 to $7 per thousand according to intended retail price; cigarettes (a) weighing not more than 3 pounds per thousand, 80 cents per thousand; (b) weighing more than 3 pounds per thousand, $1.20 per thousand (40 Stat. 312, sec. 400).

Act of February 24, 1919: Rates as follows: Cigars (a) weighing not more than 3 pounds per thousand, $1.50 per thousand; (b) weighing more than 3 pounds per thousand, $4 to $15 per thousand, according to intended retail price; cigarettes (a) weighing not more than 3 pounds per thousand, $3 per thousand; (b) weighing more than 3 pounds, $7.20 per thousand (40 Stat. 1116, sec. 700).

Act of November 23, 1921: Same as act of February 24, 1919. (42 Stat. 286, sec. 700.)

FEDERAL TAXATION OF FERMENTED LIQUORS, 1789–1923.

Act of July 1, 1862: Rate, $1 per barrel of 31 gallons (12 Stat. 450, sec. 50).

Act of March 3, 1863: Rate, 60 cents per barrel of 31 gallons (12 Stat. 723, sec. 12).

Act of June 30, 1864: Same as act of July 1, 1862 (13 Stat. 246, sec. 64).

Act of July 13, 1866: Same as act of July 1, 1862 (14 Stat. 164, sec. 48).

Act of March 2, 1867: Same as act of July 1, 1862 (14 Stat. 475, sec. 10).

Act of June 6, 1872: Same as act of July 1, 1862 (17 Stat. 245, sec. 18).

Act of March 3, 1873: Same as act of July 1, 1862 (17 Stat. 586).

Act of June 13, 1898: Rate, $2 per barrel of 31 gallons (30 Stat. 448, sec. 1).

Act of March 2, 1901: Rate, $1.60 per barrel of 31 gallons (31 Stat. 938, sec. 1).

Act of April 12, 1902: Rate, $1 per barrel of 31 gallons (32 Stat. 96, sec. 1).

Act of October 22, 1914: Rate, $1.50 per barrel of 31 gallons (38 Stat. 745).

Act of September 8, 1916: Rate, $1.50 per barrel of 31 gallons (39 Stat. 783, section. 400).

Act of October 3, 1917: Rate, $1.50 per barrel of 31 gallons, in addition to existing tax (40 Stat. 311, sec. 307).

Act of February 24, 1919: Rate, $6 per barrel of 31 gallons (40 Stat. 1109, sec. 608).

FEDERAL TAXATION OF TOBACCO, 1789-1923.

Act of January 18, 1815: Rate, 20 per cent ad valorem (3 Stat. 180).

Act of July 20, 1868: Rate, 16 and 32 cents a pound (15 Stat. 152–153).

Act of June 6, 1872: Rate, 20 cents a pound (17 Stat. 250).

Act of March 3, 1875: Rate, 24 cents a pound (18 Stat. 339, sec. 2).

Act of March 1, 1879: Rate, 16 cents a pound (20 Stat. 343, sec. 14).

Act of March 3, 1883: Rate, 8 cents a pound (22 Stat. 489, sec. 4).

Act of October 1, 1890: Rate, 6 cents a pound (26 Stat. 619, sec. 30).

Act of June 13, 1898: Rate, 12 cents a pound (30 Stat. 449, sec. 3).

Act of April 12, 1902: Rate, 6 cents a pound (32 Stat. 96, sec. 3).

Act of August 5, 1909: Rate, 8 cents a pound (36 Stat. 109, sec. 31).

Act of October 3, 1917: Rate, 5 cents a pound, in addition to existing tax (40 Stat. 313, sec. 401).

Act of February 24, 1919: Rate, 18 cents a pound (40 Stat. 1117, sec. 701).

Act of November 23, 1921: Rate: 18 cents a pound (42 Stat. 287, sec. 701).

ACTS OF CONGRESS IMPOSING DIRECT TAXES.

Act of July 14, 1798: Levy of $2,000,000 (1 Stat. 597, sec. 1).

Act of August 2, 1813: Levy of $3,000,000 (3 Stat. 53, sec. 1).

Act of January 9, 1815: Levy of $6,000,000 annually (3 Stat. 164, sec. 1).

Act of February 27, 1815: Levy of $19,998.40 annually on the District of Columbia (3 Stat. 216, sec. 1).

Act of March 5, 1816: Levy of $3,000,000 (3 Stat. 255, sec. 2).

Act of August 5, 1861: Levy of $20,000,000 annually (12 Stat. 294, sec. 8).

Mr. HAWLEY. Mr. Speaker, on behalf of those who believe the plan of tax reduction approved by the administration, and currently referred to as the Mellon plan, I offered the amendment in the House which proposed the adoption of this plan; and this amendment received 155 votes in the House on roll call.

The adherence of the Republican Party to sound financial policies and competent administration of the Treasury is historic.

The proposals for tax reduction contained in this plan are based upon scientific determination of the effect upon the revenue of the rates proposed, and the decreases have been distributed among the taxpaying public to give the largest possible measure of relief to the greatest number.

The country has read it, considered it, understood it, and voiced its approval in no uncertain terms. Not since it championed the gold standard has the financial policy of the Republican Party been so strongly indorsed by the people, irrespective of geographical distribution or party affiliation.

Its terms are too well known to need restatement at this time. The reduction in normal taxes, with the provision for earned incomes, gives to the hundreds of thousands of taxpayers in the lower brackets by far the greater proportion of the total amount of relief from taxation. By limiting the surtaxes to a maximum of 25 per cent and reducing correspondingly the rates in all brackets below capital will be diverted from the field of tax-exempt securities into industry and commerce. The Treasury will be furnished with revenues sufficient for the conduct of the Government by taxes earned on a greatly increased volume of income taxed at these lower rates.

The primary purpose of a revenue bill is to raise revenue, that the Treasury may at all times meet the demands constantly accruing upon it. The tax burden should be fairly distributed. A tax bill that intentionally fails to supply the Treasury adequately is inherently bad.

The Garner rates are financially unsound, and would have wrought injury to the country. We have preferred rates more adequate and better adjusted to its needs. When the rates proposed in the amendment, commonly referred to as the Mellon rates, were not agreed to by the House, I voted for the plan proposing a maximum surtax of 37½ per cent, as against the Garner rates, and voted for the bill on final passage. The Garner rates on normal and surtaxes are so readjusted as to produce a loss of revenue of approximately $511,000,000 which, together with the other reductions in excise taxes, will result in a deficit of over $300,000,000 in the Treasury. This Garner plan is political rather than financial, a makeshift rather than scientific, not adapted to the needs of the country, and above all creates a great and growing deficit in the Treasury. The only way by which deficits can be wiped out is by taxes obtained from the people. The Government is not a profit-making enterprise. Deficits increase the tax burden for subsequent years and impair the credit of the United States. The year 1924 is a presidential year. Hence we have the Garner political rates.

We had, therefore, the astonishing spectacle of a country at peace with all the world, well to do, willing to pay necessary taxes, proud of the honor and credit of their Government, compelled to face, had the Garner rates become effective, a large and constantly increasing deficit in the public revenue.

When the 1918 revenue act was passed with a maximum surtax rate of 65 per cent and with a normal tax rate of 8 per cent on taxable amounts in excess of $4,000, the country was engaged in war, and had taken over many industries and was subsidizing others for the production of war materials—food, clothing, munitions, and so forth—and part of the taxes collected were needed to furnishing capital to such industries.

When the revenue act of 1921 was enacted, with its continuance of the normal tax rates and a maximum surtax of 50 per cent, the Government was still in need of money for capital account with which to effect settlement of claims arising out of the war.

But in 1924 the Government is no longer under the necessity of making expenditures on capital account, having retired from the field of production. Private enterprise has again resumed the conduct of industry, commerce, and agriculture, and undertaken to provide the necessary funds, and in order then that they may have the benefit of funds formerly taken by the Government in taxes under the stress of war we proposed a 25 per cent reduction in the normal taxes and a maximum surtax of 25 per cent; that is, when the Government, under the urgencies of war, needs money as capital for the production of the material of war, high taxes prevail, but when private enterprise resumed the responsibility for production we proposed to reduce taxes and leave the capital in its hands.

High rates of surtaxes are not necessary to provide the funds the Treasury needs, nor will they relieve our industries or open the way to an increased general national prosperity.

Mr. CANFIELD. Mr. Speaker and gentlemen of the House, no doubt these two little words that are placed here on page 167 have escaped your attention, and in fact I expect there are very few of the Members that even knew they were there, and of those that did know they were there, very few of them have paid any attention to just what they mean, and were it not that my attention has been called to them I do not expect that I would have paid any attention to them; and right here I want to say that while I am in the furniture business I am in no way financially interested in any factory that manufactures smoking stands; but I know what it means to those that do manufacture them—to the dealers throughout the country that handles them, and the people that buy them for their homes.

These are very small items and can not produce much revenue; in fact I am sure the tax collected on them is not over $100,000 a year, and I do not doubt but what it costs from 50 to 75 per cent of this amount to collect it; but, on the other hand, it is a big handicap to the manufacturers of these small articles, and gentlemen, if you will take time to consider these items, you will agree with me that it is not right to tax any article that is produced for the purpose of making better and happier homes.

I would not say anything about these items if the committee had seen fit to put a tax on smoking stands that are sold by the manufacturer for $50 or more, for then they would be sold to people with homes who could well afford to pay a tax; but when it comes to taxing articles of furniture that are manufactured for our average workingmen, farmers, professional men, and small business men's homes I want to say frankly that I am against it, and I think every member of this committee should be against it, especially when the tax collected means practically nothing to the Government.

Everywhere we go to-day we hear much about the un-American spirit that prevails throughout our country, and that everything should be done by our leaders to check it in every way possible. To my mind one of the best ways to make better American citizens is to have better homes for them to live in, and after we have better homes we must have happy homes, and one of the best ways to make happy homes is to have good furniture in them; and when we have happy homes every Member of this House knows that we will not need to concern ourselves as to whether or not the Constitution of the United States will be upheld, for our American citizens will have something vital to protect and something for which they will be proud to follow the American flag.

Gentlemen of the House, I trust that you can see your way clear to support this amendment, as it does not mean much revenue to the Government, due to the fact that it costs 50 to 75 per cent to collect all tax obtained from these items.

Mr. TILSON. Mr. Speaker, the proposed Garner plan for tax reduction was, in my judgment, impossible from every point of view, including that of the Secretary of the Treasury, for it would have produced a serious deficit in the revenues. Therefore, it was a great gain to supplant it with the schedule of rates proposed by the gentleman from Ohio [Mr. LONGWORTH]. It is said that the Longworth rates are the best that could be secured by compromise, and it is a matter for congratulation that all Republicans of all brands are committed to a program no worse than the compromise.

Republicans who still believe that a sound, well-balanced tax reduction plan was being rejected for this makeshift compromise were justified in voting for it as the best that could be secured under existing circumstances. Therefore, I have no criticism whatever for those who, trying to secure the best, took the best they could get.

After all, the compromise at its best is only a makeshift, and I failed to give it my approval because I felt that its enactment into law at this time would make genuine tax reform more difficult or perhaps impossible hereafter. It makes a horizontal reduction of 25 per cent in the surtaxes. This, however, is not enough to accomplish the primary purpose of the Mellon proposal, which is to unshackle business investment. The surtax rates in the compromise will not effect this purpose. If a man can not swim he will drown in 10 feet of water just the same as in 100 feet.

Another serious defect in the compromise as well as in the Garner plan and one hard to remedy when once in the law is the too severe cut in the normal tax of moderately small incomes. I refer to the bracket under $8,000 in which the salaries of Congressmen unfortunately fall. A very large revenue comes from this class—very little of it from Congressmen, of course—so large that if cut as proposed in the compromise, other and far more important reductions will have to be indefinitely postponed. It would have been worse had the Garner rates been adopted.

The people who pay in this class are neither poor nor rich, and its payment by them affects economic conditions less seriously than if paid by any other class. For instance, a reduction of my tax by $100 more than under the Mellon rates is, of course, acceptable, but I doubt whether this reduction to me and to a million other taxpayers in my class will do half as much good to the country at large as would a further reduction in the surtaxes and the removal of more of the objectionable war-excise taxes.

There are other serious defects for which the compromise is in no wise responsible, having been put into the bill under the Garner leadership before the compromise was agreed upon, but which likewise will be difficult to get rid of when once in the law. I refer first to the increased inheritance tax, which will rob the States of large amounts of capital which should remain in the States for local taxation instead of being sent to Washington for questionable governmental expenditures. The new gift tax is open to the same criticism.

The "Peeping Tom" amendment by which partisan committees of Congress for purely partisan purposes may pry into and make public the private business affairs of anyone they may desire to criticize is fundamentally vicious and under present conditions at the other end of the Capitol will probably be made worse rather than better.

The provision for the refund of 25 per cent of the income tax payable this year should be taken out of the present bill and sent through as a separate bill. This would give immediate tax reduction, not scientific by any means, but doing approximate justice, and this could be continued next year if necessary.

Meanwhile the entire matter unhampered by any makeshift could be submitted to the final authority, the people themselves, for their consideration and advice. With their mandate the Republican Party, having been given power equal to its responsibility, would be in a position to give the country what it is entitled to—a real, sound, well-considered tax reduction and tax reform.

Mr. SCHALL. Mr. Speaker, the charge of partisan politics is being bandied back and forth, hotly repudiated by both sides. The question of taxation is neither partisan nor personal, but should consider the greatest good of the greatest number. I am for that form of taxation that shall provide sufficient money to take care of our Government. That is what taxes are for—to provide revenue to run the Government. The Garner plan, while it sounds well, will not provide in the long run sufficient revenue. I voted for the Frear plan and against the Mellon plan, both of which I think to be the two extremes, but I would rather err on the side of the common taxpayer than be classed with those who have no regard for the troubles of the poor. The real Yankee idea of justice to everybody concerned, it seems to me, is a compromise between these two extremes,

the Longworth amendment, which cuts everybody's taxes, rich and poor alike, 25 per cent. The increase in the inheritance tax from 25 per cent to 40 per cent, graduating from 1 per cent on amounts over $50,000 to 40 per cent over $10,000,000, together with the gift tax, which is a counterpart of the inheritance tax, will more than furnish the needed money for the back pay of the soldiers and show an attitude of justice for our liabilities.

The Government clerks receiving a bonus look upon it as part of their salary. There is nothing in the service the soldiers rendered that should cut them out from their slight back pay. We bonused the manufacturer where he lost money on account of preparation for a war that did not continue. We bonused the munitions maker, the miner, the shipowner, the shipbuilder, the manufacturer, because the war did not continue, and in this bill we even purpose—and I think it is right—to bonus the taxpayer, for we are intending in this bill to reduce and give back 25 per cent of the taxes due for last year and collectible under the present law.

Money should stand its share of war expense. It has had protection through the men who fought our battles and it should be willing to pay its just share. If not willing, it should be made to pay.

I voted against the Mellon plan because it is truly a "Mellion"-aire proposition and is constructed entirely to serve the millionaire. Instead of making a straight cut of 25 per cent all the way down the line it sought to cut the big fellow down 50 per cent while giving to the little fellow the smaller ratio of 10 to 25 per cent.

The Longworth compromise is strictly the consensus of the Republican idea, is a Republican measure, and should have the support of every Republican in the House, together with such other party designations as have the welfare of the country at heart, consistent with taking care of the soldiers' compensation and having sufficient money to take care of the Government's obligations.

This bill, I am informed by those in authority, will not only reduce the taxes 25 per cent all down the line, but will over and above furnish the money necessary for the soldiers' compensation, and thus avoid the President's veto on that excuse.

Mr. FREAR. Mr. Speaker, the House tax-reduction bill is several hundred per cent better and more equitable than the make-believe "scientific" Mellon bill. The House bill gives a tax cut of over $400,000,000. One hundred million dollars of this amount the Mellon bill gave to telephones, telegraph, and theaters with a return assured in propaganda. The House bill extends the tax cut to automobiles, stamps, jewelry, candy, seat tax, and other nuisance taxes that are reduced or wiped out. The Mellon bill gave another hundred million to earned income, including 12 officials of one oil company who receive a combined salary of over $1,000,000. The House bill cuts off, without any evidence required, one-quarter of all incomes under $5,000 from whatever source derived, all treated as earned income. Above $5,000 and to a maximum limit of $20,000 income, the right to further reduction is a matter of evidence.

The Mellon bill gave over $200,000,000 tax cut to income-tax payers, with 5 per cent of the total taxpayers at the top getting approximately one-half of the Mellon cut, and a measly one-quarter cut for the remaining 95 per cent of the tax-paying multitude. The House compromise bill dumped this scientific (?) cut into the wastebasket and reversed the order of distribution, giving a one-half tax cut to the 95 per centers and a one-quarter tax cut to the high-rolling 5 per centers, keeping in mind the old tax principle that a net income tax can not be passed on, and tax burdens so far as possible should be distributed according to ability to pay.

This cardinal principle was never considered by the "scientific," sham plan, put forth by the Treasury for Congress to pass, prepared by no one knows who; without one witness offered or a single income-tax hearing; strong only in propaganda and tax buncombe, repeatedly exploded and as repeatedly urged by favored interests; interests that alleged in one breath they dodged all income taxes and yet insisted the tax be removed for the public good.

In the House bill has been written a modified publicity clause, a higher estate-tax rate, a credit to States of 25 per cent thereon; a gift tax intended to supplement the estate tax and other needed wholesome amendments. The Mellon plan, after several million dollars spent in propaganda, only received slightly more than one-third the vote of the House; the House bill was passed by 408 affirmative votes on roll call.

That, in brief, is the difference between the Mellon bill and the House bill. Partisanship was never more in evidence than during the preparation and discussion of the tax bill just passed by the House. Representative GARNER, author of the Garner rates, Minority Leader GARRETT, Whip OLDFIELD, a liberal, Representative CORDELL HULL, of the Democratic National Committee, and every other Democratic Member, however, made possible the compromise bill by their opposition to the Mellon plan. Any attempt to misrepresent or make political capital out of the result only serves to emphasize the straits of those who would substitute cheap politics for statesmanship.

Democratic Members, with over 60 independent Republicans, helped defeat the Mellon bill and by such course compelled passage of a compromise tax measure more simple and scientific than either the Mellon or Garner plan. To the independent action of Members of both political parties the result is due.

Progressive Republicans, who secured the compromise in all its details, accept full responsibility therefor but will leave political partisans to scramble for whatever glory is to be had from the result.

The Mellon bill was conceived behind closed doors by selfish interests, concealed to the end. That bill juggled tax brackets and was "scientific" only in its attempt to give great tax cuts to big taxpayers and small relief to the great army of small taxpayers.

Last session a generous legislative gift to big business came from Congress in the shape of a repeal of the excess-profits tax which aggregated $450,000,000 tax annually, combined with a reduction of high surtaxes from 65 per cent to 50 per cent, adding about $50,000,000, according to estimates, or in all a $500,000,000 tax reduction was given to big business without any remission of taxes to the small man least able to pay.

The Mellon bill sought to compel another great legislative gift and declared for a 50 per cent reduction in upper brackets for the millionaire class and only 25 per cent tax reduction for the great tax-paying multitude.

The Mellon bill was prepared by men representing great wealth and supported by the greatest propaganda of all history, variously estimated to have cost several million dollars. With a novel new argument of "frozen credits," "aid to business," relief from "soaking the rich," and other catch words, the bill was placed on the table of the Ways and Means Committee of the House, that representing the House, the only body under the Constitution authorized to originate revenue legislation. Republican members then split in committee over the bill, over its unprecedented method of presentation, its concealed authorship and demand to sign on the dotted line. Demand for its immediate and unqualified acceptance from Secretary Mellon and other high officials met with opposition.

The Democratic organization of the House thereupon prepared a tax bill along different and more equitable lines, and in party caucus bound its members to the Garner rates. The Republican organization, split by the Mellon bill into two factions, refused to accept the so-called Mellon income-tax rates, but, on the other hand, a new test of party regularity for Republicans was invoked to oppose the Garner income rates proposed for substitution in the bill.

Progressive Republicans interested in giving substantial relief to small taxpayers prepared a separate bill that was also submitted in committee, wherein reduction of one-half normal tax rates was urged, thereby giving a total income-tax reduction of $184,000,000, of which amount small taxpayers would receive a 50 per cent tax cut, while less reductions were given to those best able to pay. In view of great tax reductions given to the latter by the last preceding revenue bill, this was claimed to be equitable and just.

The progressive group's income-tax amendment was defeated and then, when confronted by either the Mellon or Garner tax rates, Republican progressives unhesitatingly accepted the Garner rates, which were voted into the bill, although accompanied with Treasury estimates that the Garner rates would probably leave a deficit of from $150,000,000 to $300,000,000.

This wide range of estimates was not persuasive, but calculated to influence the Executive when called upon to act, so we prepared needed amendments to make up the deficit.

Then arose an unparalleled situation in legislative history of the House. Mellon-plan advocates gave out that the Garner rates, because of threatened deficit, would insure the bill's veto by the Executive, and hot-heads sought to defeat the bill by adding increased tax cuts beyond estimates, refusing to add new tax revenues to meet the threatened deficit.

On every vote in the committee Progressive Republicans endeavored to protect the bill and refused to countenance partisan blindness that would rule or ruin. Thus far the situation is well known, and efforts to save the tax bill thereupon devolved largely upon the progressive group of the House, that accepted full responsibility without hesitation.

To meet the threatened Garner tax rates deficit and provide needed tax reform, a measure was first offered by progressive

Members to tax so-called tax-free securities, leaving a decision therefor to the court. Briefs and authorities were submitted as to constitutionality in support of this plan, but opposition came unexpectedly from leaders of both political parties in the House and the proposed amendment failed, although supported by a few independent Members on both sides of the aisle.

A strong effort to tax stock dividends also having failed, progressive Republicans next offered an amendment to tax undistributed profits of corporations 10 per cent, which would bring to the Treasury $200,000,000 or more annually, a tax in principle identical with taxation of stock dividends. It had been proposed originally by Secretary Houston in 1921, and is more equitable and just than the present 12½ per cent corporation normal tax. This amendment met the same fate at the hands of Republican and Democratic leaders. I offer no criticism, but am disclosing efforts to meet the threatened deficit.

A vigorous effort was next made by the progressive group to secure reenactment of a moderate excess-profits tax with a 10 per cent rate in the lower brackets. This it was roughly estimated would bring from $150,000,000 to $200,000,000 increased revenues, based on receipts of 1921, and would meet any threatened deficit prophesied from adoption of the Garner rates. Again came failure through opposition of both Democratic and Republican leaders.

Other measures offered, including general publicity of income records, met with opposition from party leaders on both sides of the aisle.

Inheritance-tax rates were increased, accompanied by a 25 per cent credit for State taxes paid—an amendment I offered—while a gift tax offered by Chairman GREEN, both of which were opposed by the regular Republican organization of the House, were supported by independent Republicans and the Democratic membership generally. These latter measures were estimated to bring in only $20,000,000 additional revenue which, however, would be more than wiped out by an additional automobile-tax cut beyond estimates made in committee.

I have endeavored to give credit and fix responsibility without partisanship, although party influence unfortunately has been conspicuous throughout consideration of the tax bill.

We were finally confronted with a probable Treasury deficit of $200,000,000 or more by adoption of the Garner rates and refusal to accept amendments that would give needed revenues, with a probability of threatened presidential veto. If the bill with Garner rates was signed, as declared likely by Democratic leaders, a large deficit would cause the soldiers' compensation bill to be vetoed and probably prevent its becoming law.

With this situation, wherein partisan politics seemed to be strongly in evidence on both sides, the progressive Republican organization offered to renew its first tax proposal or to consider any plan that would give relief to small taxpayers, with incidental tax reduction for those best able to pay. The proposals made to and from the Republican organization were finally agreed to after important concessions were made of a normal-tax cut of one-half rates, or 2 per cent, up to $4,000 and a cut of three-eighths, or 5 per cent, from $4,000 to $8,000. With the average exemption of $2,000, this makes a tax reduction of from 50 per cent to 62 per cent for over 95 per cent of all the income-tax payers of the country who pay on $10,000 incomes or less, and is substantially the plan first offered by the progressive group. A straight cut of 25 per cent on all surtaxes now in the bill is based on existing law, and an added an added 2 per cent cut on the 8 per cent normal tax gives a fair reduction on large income taxes of over one-quarter off from the present tax payments. A one-half tax cut for small income-tax payers, with the added earned-income tax cut computed on $5,000 and under, gives the following generous tax reduction on small incomes as now carried in the bill passed by the House:

Income.	Present tax.	New rate.	Saving.	Per cent tax cut.
$4,000	$160	$60.00	$100.00	62½
$5,000	240	97.50	142.50	59½
$6,000	320	147.50	172.50	54
$7,000	410	197.50	212.50	52
$8,000	500	247.50	252.50	50½

The $2,000 added average exemption brings this needed relief to incomes of $10,000 or less paid by 95 per cent of the people, with smaller reduction for the remaining 5 per cent of the taxpayers. A further tax cut on incomes from $6,000 to $8,000 occurs where earned income is proven.

A tax cut of 25 per cent in present surtax rates that now reach 50 per cent maximum, in effect, brings maximum rates down to 37½ per cent, but the 6 per cent normal tax added makes the total maximum income tax rates 43½ per cent, as passed by the House.

These rates compare favorably with the Garner tax rates, they are a matter of compromise and were agreed to on a bill that we were assured will come within the margin of surplus, whereas the Garner rates, we were warned officially, would leave a large deficit and jeopardize the passage of a soldiers' bonus bill, alternatives unthinkable and indefensible. In this I have laid no stress on the failure of Democratic and Republican leaders to support amendments whereby to meet the deficit caused by the proposed Garner rates, nor have I discussed the attitude of certain leaders on the soldiers' compensation bill in the past. These are matters of individual judgment, but I am stating a situation that caused progressive Republicans of the House, when their amendments to meet a threatened deficit were rejected, to throw their entire support to a compromise on income-tax rates which were voted in the bill and subsequently were supported by 408 Members of the House. In addition we held fast to every amendment secured in Committee of the Whole and kept faith throughout with principles while refusing to engage in political juggling or partisan jobbing.

Charges by Republican or Democratic press of any coalition were at all times foolish and unfounded. Without partisanship we sought to get the best tax bill possible out of committee and through the House. We ask for no credit nor fear criticism. The Mellon plan died before it was born and millions spent in propaganda failed to influence Congress that knows the game as it was played.

Any man whose name is linked with the bill passed by the House may feel honored from the fact that the measure grants annually $400,000,000 relief to millions of taxpayers; is likely to come within the limit set apart for income-tax reductions; and is so far removed from the "scientific" Mellon great gift to large wealth that it bears not the slightest resemblance to that plan.

For the splendid group of independent Members who brought order out of political chaos and saved a tax bill that will do full justice to those least able to pay, gratitude is expressed. Never once did they falter in their support, and such action came from an intelligent understanding of every proposition considered, for they had informed themselves regarding tax principles, brackets, and rates, and individually were competent to pass judgment on the different plans without advice.

They helped improve a tax bill by insertion of many needed amendments, and when called upon to act did not hesitate to put their oaths as Members above pleas of party regularity. The bill, contested for three weeks, finally found support from over 400 Members of the House, irrespective of partisanship. That is glory enough in itself. Of far greater importance were appeals made from the Chair's ruling, first by a vote of 315 Members and second by 254, when, joining with Democratic Members, the Chair was overruled by the progressive group and a principle laid down that the House refuses to be tied hand and foot or longer gagged when considering a revenue bill. Hereafter the House will assert its legislative rights like the Senate and other great parliamentary bodies and will function as authorized under the Constitution.

Briefly, I have reviewed a bill which after long controversy gives large tax relief to millions of people and reduces nuisance, income, and other taxes to an amount annually reaching over $400,000,000. These results were made possible by the small group of progressive Members who held the balance of power and yet refused to permit that power to be used as a political football.

The most just and equitable income tax bill ever passed by the House of Representatives is due largely to their efforts. For the truth of that claim I again point to its acceptance in all its terms by 408 Members, a verdict never before given any tax measure passed by the House of Representaitves. May the example of independent action bring others to recognize that party regularity and partisan politics have no place in tax legislation, while the bipartisanship of powerful invisible government, omnipresent in this tax bill, it has been shown can be met and overcome by legislation in the open.

Mr. CLANCY. Mr. Speaker, on February 28 the House of Representatives overthrew the decision of a controlling element in the Ways and Means Committee that there should be no reduction of the tremendous burden of Federal war excise taxes on the motorists of the country. A strenuous effort had been made before the committee by representatives of the motorists' organizations of the country and of farmers' organizations to have at least a measure of reduction of these taxes. But their pleas were unavailing, although the com-

mittee recommended some $320,000,000 reductions for various classes of taxpayers, including some $103,000,000 reductions for war excise taxes on commodities such as candy, soft drinks, telegraphs and telephones, theater tickets, jewelry, etc.

A hot battle was waged in the committee itself by Members thereof for reduction, both by Republicans and Democrats. Mr. McLAUGHLIN of Michigan and Mr. CROWTHER of New York made motions for repeal of certain taxes, I am informed, but lost. Various Democrats, including Mr. GARNER of Texas, Mr. OLDFIELD of Arkansas, Mr. RAINEY of Illinois, Mr. COLLIER of Mississippi, and Mr. CASEY of Pennsylvania also made motions for total or partial repeal of these taxes, according to the best information obtainable. They lost also.

During the very last sittings of the committee on war excise taxes, I believe, a majority of the committee, two Republicans and 11 Democrats, were fighting for some measure of relief for motorists, but I am informed points of order were made against such motions at that time and were sustained.

THE OLD GUARD PRESSED HARD, BUT WINS.

Thus a coterie in the committee, hostile to relief for motorists, were able to get the bill to the floor of the House without any auto tax reductions of benefit therein.

Representatives of motorists had fought the same fight with Secretary of the Treasury Mellon and had lost. He recommended many other tax reductions on transportation, on luxuries, and on amusements, but set his face like flint against the motorists.

It has been the same story for the past few years—motorists losing their contests both with the Secretary of the Treasury and with Congress.

THE SUN BEGINS TO SHINE.

But the turning point came on February 28 on the floor of the House with a coalition of Democrats and Republicans overturning the decision of the controlling element of the Ways and Means, and granting relief of approximately $23,500,000 out of a total of $146,000,000 of these taxes, figured on returns of the past fiscal year.

Representatives of the motorists' organizations were satisfied with the above amount of reduction and feared to ask any more at the eleventh hour because of the danger of jeopardizing the revenue bill. They expect to continue the fight in the Senate in the near future and in the House and Senate next December for greater reductions of these taxes.

NAUGHTY MOTORISTS PUT TO WORK WITH THE ROAD GANG.

It is sometimes argued by objectors to reduction of Federal war excise auto taxes that the autos use the roads and therefore should pay for them.

If this argument held good there should be excise taxes on ships which use canals, rivers, harbors, inland lakes, and so forth. To follow out the auto parallel, there should not only be a tax on the ships proper, but on parts and accessories and replacements and repairs. Thus there would be an extra tax on rudders, smokestacks, anchors, ropes and cables, compasses, the coal which is used for motive power as gasoline is used for auto motive power, and so forth.

REDUCTIO AD ABSURDUM.

There would be a tax for tugs, dredges, passenger and freight ships, sailboats, motor boats, pleasure yachts, rowboats, fishing boats, and canoes.

As a matter of fact water highways are developed out of the Public Treasury for the common good and the general welfare.

It is true that American ships pay tolls going through the Panama Canal, but that is because of the Hay-Pauncefote treaty. The American Congress and President Taft made it law that these tolls should not be charged, so that freight and passenger rates between the Atlantic and Pacific coasts should be cheaper. That was for the common good, although the canal cost the people about $400,000,000 and a large sum also each year to operate.

President Wilson advocated the repeal of the free tolls act, of which a Congressman from Detroit [Mr. DOREMUS] was the author, not because of the principle that ships should be taxed for using the canal, but because he said it broke the Hay-Pauncefote treaty, and a question of honor and treaty obligations with a foreign power was involved.

Hundreds of millions of dollars have been expended out of the Public Treasury for developing rivers, harbors, and so forth. Figures from the message of the President transmitting the Budget for the fiscal year ending June 30, 1924, show an estimate of $40,000,000 for rivers and harbors. For. 1922 the amount was $43,316,668, and for the current year the estimated expenditure is $48,000,000.

RAILROAD-OWNED SHIPS BARRED FROM WATERWAYS BECAUSE OF THEIR UNFAIR METHODS.

It is very significant in view of the alleged antagonism of railroad interests to the development of the automobile and motor truck that the Congress of the United States saw fit, after very careful consideration, to pass the Panama Canal act of 1914 which forbids railroads to own competing water carriers.

The underlying reason was that railroads considered only their own interest and their own profits. When they went into the shipping business, often they would lower the freight and passenger rates until they had put competitors with less capital out of business, destroying them by a rate war. Then, not being checked by competition, they raised rates to suit their convenience and gouged the public unmercifully.

Therefore, the Interstate Commerce Commission, taking its cue and its authority from the Panama Canal act of 1914, ordered various railroad companies to get off the Great Lakes, to sell their ships and get out of business.

Like common criminals, not observing the amenities necessary for organized society, they were made outcasts.

DARK SHIPS THAT PASSED IN THE DARK.

In 1915, actions were begun against companies and ships owned by the Pennsylvania Railroad, the Lehigh, the New York Central, the Erie, the Rutland, the Grand Trunk, the Delaware, Lackawanna & Western, and the Canada Atlantic.

Their splendid liners were sold for whatever price the railroads could get in the open market.

"FINGY" AND JULIUS K. ENTER.

William J. Conners, who rose from the stevedore ranks to be a magnate and who rejoiced when on the docks in the sobriquet of "Fingy" Conners, bought in most of these boats, and organized the Great Lakes Transit Co., one of the valuable and best-known transportation companies of the Great Lakes.

It is noteworthy also that Julius Kruttschnitt, who states the case so energetically and powerfully for the railroads against the passenger automobile and the motor truck in certain Senate committee hearings, has been the dominating personality of the Southern Pacific Railroad for some time. He is chairman of the board of directors and has been recognized for some time as one of the chief spokesmen before the country for the railroads.

These hearings may be found reported in a Senate document entitled, "Hearings before the Committee on Interstate Commerce, United States Senate, pursuant to Senate Resolution 23, relating to revenues and expenses of railroads, Sixty-seventh Congress, first session, volume 1, May 10 to June 1, 1921." The testimony of Mr. Kruttschnitt with particular reference to auto competition is found on pages 40 to 44.

PANAMA CANAL GETS TO COVER.

It is pertinent that the Panama Canal act of 1914 is directed particularly against transcontinental railroads and Mr. Kruttschnitt directs one of these which is barred for the sake of general welfare from operating competing ships through the Panama Canal, which was built with the public moneys for the public good.

I am going to quote excerpts from Mr. Kruttschnitt's testimony and colloquy in the Senate Interstate Commerce Committee hearing. I will do so at some length because his viewpoint is so refreshing. His attitude that all agencies advancing the cause of mankind and civilization and competing with railroads, must be hampered to keep pace with railroads in difficulty through poor management or otherwise, is of vital interest to the automotive industry. The latter, by its fair political methods and its absence of desire to control all sorts of governmental agencies to promote selfish ends inimical to the general good, affords a striking contrast.

The predominating purpose of the auto people, so far, has been to make life easier and happier for all mankind. May they always cherish that ideal!

ENTER THAT VILLAIN, SUBSIDY.

The general argument of friends of the railroad interests is that the automobile and motor truck are subsidized by the public, which provides them free highways. They compete with the railroads. Why should they not be taxed, and heavily?

First let me remark that railroad people should understand subsidies because practically every railroad was subsidized by public annuities or grants of one character or another when it was constructed. Public land equal to the area of the thirteen original States has been granted to the railroads. That is one

of the most astounding facts in American history or in the history of the world!

Roman roads are one of the outstanding facts of civilization and they existed throughout the centuries until to-day in splendid condition, but if one were to believe the opponents of auto-tax reduction the geniuses of the Roman Republic and Empire built them with the automobile in view. The contention to-day is that roads are built to-day only for the automobile, and the motorist should pay, pay, pay! Rome and all countries of all times have built roads to advance the general welfare.

LIVE AND LET LIVE.

The sane view and the "live-and-let-live view" is that the proper field of the motor truck is in coordination with the railroad. To-day 157 railroad systems are using the truck in short hauls, in terminal operations, and for similar purposes. It is a complementary service which gives the shipper a more efficient completed transportation.

Studies of the Bureau of Public Roads shows that 67 per cent of all of the truck movement in Connecticut is under 70 miles. That which goes farther does so because it can haul more cheaply or because of rail congestion. Where the motor truck provides an economic competition it should abandon long haulage, and that is happening automatically.

Roads would be built if we had no trucks, and they would be paved roads since the measure of road improvement is density of traffic. In most States the truck is paying its share of road cost through special taxes. Where these taxes are not high enough they should be increased, but that is a State tax and should remain so.

WHY BITE THE HAND THAT FEEDS YOU?

The railroads of to-day could not prosper without the motor industry. Last year they derived $200,000,000 revenue from shipment of cars. The raw materials used by motor plants in fabrication of cars, the building materials used in roads, the haulage of gasoline and of the thousand other commodities entering into motor-car production, all contribute to the railroads.

Congress has taken the tax off railroad transportation, yet when a railroad uses a motor truck a special tax must be paid, which must be passed on to the consumer. Is there any difference between these taxes?

Can the railroads or the public afford to penalize an arm of transportation which must be of increasing service in providing a more adequate and more efficient system of collection, delivery, and transportation generally?

There are those who raise the question of taxation paid by motor vehicles and railroads. This is not an issue, as all transportation costs must be paid for by the consumer, hence all transportation taxation is an added burden. It is interesting to note, however, that in 1921 the motor vehicles paid $334,000,000 in special taxes, in addition to garages, income, and so forth, while the report of the Interstate Commerce Commission shows that the rail lines paid $276,000,000 in Federal, State, and local taxes in the same period.

HE'S TAXED HEAVY, ALL RIGHT.

If the purpose of the opponents and oppressors of the motorist is that he shall be taxed and taxed heavily—for it must always be remembered that the taxes are on the motorist and not on the manufacturer, who transmits the tax directly to the buyer of an auto or truck—then the purpose is fully achieved, and with a vengeance.

FIGURES DO NOT LIE.

Taking the 15,000,000 cars in operation to-day, I figure that during their short lives their owners have paid into various governmental treasuries the gigantic, astounding total of $1,245,570,944.23. Why the 23 cents? The figures are an approximation, necessarily, and the exact amount is based, of course, partly on estimates, but which estimates, I maintain, are fair.

The average life of the average car must be gauged through experience of motor experts. The wear and tear can be averaged to the satisfaction of a fair man. Seven years life for a car is a fair estimate.

The Federal war excise taxes to which I object amount to the stupendous sum of $600,183,644.23, as taken from the Federal Government records.

State licenses, including registration fees, gasoline tax, and so forth, are estimated at $510,387,300.

Personal-property taxes now levied in 36 States are estimated for the period at $125,000,000.

Local wheelage taxes in special levies by cities may be estimated for the period at $10,000,000.

These amounts give the total of approximately $1,245,570,000, surely enough to satisfy a Turk taxgatherer or one of those taxgatherers who precipitated the French Revolution and rolled under the heavy, razor-sharp strokes of the guillotine gallant male heads and fair ringleted feminine heads into the dust.

The Federal taxes are detailed as follows: Federal excise tax on new cars for the period, $363,363,593.63; on trucks, $52,637,963.79; on parts, tires, accessories, and so forth, $196,124,556.49; less deduction for repairs to old cars early part of this period, $60,000,000, estimated; total for this classification, $136,124,556.49. Now, take the unsegregated tax collected in 1917 and 1918 of $48,057,530.32, and total Federal war excise taxes are $600,183,644.23.

Surely nobody can fairly quarrel with these figures.

TAXES ON THE PASSENGER CAR IN MARYLAND.

But take the heaped-up taxes in another way. It is fair to consider the neighboring State of Maryland, for nearly every Member of Congress has ridden over the roads of Maryland and knows the sentiment of the people and their standard of Americanization.

The taxes, as I showed on a chart brought into the House cloakroom, are as follows:

1. Federal excise tax on the car.
2. Federal excise tax on tires and parts.
3. State registration fee.
4. Gasoline tax.
5. State property tax.
6. City property tax.
7. Driver's license tax.
8. Certificate of title tax.
9. Property tax on the garage.

In addition, trucks and taxicabs bear five other taxes.

AND THIS IS NOT CALCULUS. YOU CAN GET IT.

And to be more specific yet, take the taxes paid by typical new cars in Baltimore, Md.

The figures are as follows:

Ford touring with self-starter.

Federal, excise on purchase	$14.25
State, horsepower	7.20
State, gasoline	7.00
State, operator's (not for hire)	2.00
State, personal property	.77
State, certificate of title	1.00
City, personal property	7.30
Total	40.52

Also 5 per cent on value of any repair parts, accessories, and tires.

DODGE TOURING.

Federal, excise on purchase	$33.00
State, horsepower	7.68
State, gasoline, estimated (400 gallons, at 2 cents)	8.00
State, operator's (not for hire)	2.00
State, personal property	1.84
State, certificate of title	1.00
City, property	17.40
Total	70.92

Also 5 per cent on value of any repair parts, accessories, and tires.

BUICK "6" TOURING.

Federal, excise on purchase	$58.69
State, horsepower	8.74
State, gasoline, estimated (500 gallons, at 2 cents)	10.00
State, operator's (not for hire)	2.00
State, personal property	3.37
State, certificate of title	1.00
City, personal property	31.90
Total	115.70

Also 5 per cent on value of any repair parts, accessories, and tires.

In addition, trucks, buses, and taxicabs bear five other taxes.

WE WILL PUT POOR JOHN WISE!

Now, it may be said that the average owner of an automobile or truck does not know that he is thus discriminated against. But let every legislator be advised from now on the 15,000,000 owners, their friends, and relatives, are going to be educated to this gouging. That is the duty of the motorists' organizations, of the manufacturers' organizations, to protect these members and these customers from exploitation.

Vigilance and education will relieve these voters. There is no sane reason why such a powerful body of voters, thoroughly organized as they can be, for their names and addresses are available in every community, should be thus persecuted. Police headquarters at least have them registered.

MACHIAVELLI WAS A PIKER.

Now let us consider the philosophy of modern industrial competition with particular reference to one of the basic necessities of life and of organized society as developed by that master, Mr. Julius Kruttschnitt, aforetime director of the

board of one of the great American transcontinental railroads. This is in the Senate Interstate Commerce Committee in 1921.

Then see how that philosophy and theory is driven home against me in the House Ways and Means Committee hearings on auto reduction, January 16, 1924.

Then read the statements of Representative OLDFIELD of Arkansas, of the Ways and Means Committee, on railroads and the automotive industry on the floor of the House February 14, 1924, in which he shows the doubtful methods of some railroad men.

Then read the statements of Representative TAGUE of Massachusetts, also on railroads, also a member of the Ways and Means Committee, and also delivered on the floor of the House on February 18, 1924.

IT IS NOT ANCIENT HISTORY.

The combat of ideas depicted therein and of forces so tremendously vital to the ordinary life of every American individual is so thrilling and so pertinent that one is justified in giving the colloquies and statements at length. Moreover, that combat has not yet neared its peak and is to make some American history in the near future.

Meantime may I again disclaim any hostility to the railroads. They are vital. I am not anxious even to discipline them. They should be treated without animus or passion. But they must be taken off the necks of the 15,000,000 American motorists and out of the pockets of these aforesaid gentry.

Enter Mr. Julius Kruttschnitt, and reported in Senate document giving hearings of Interstate Commerce Committee May 10 to June 1, 1921, on Senate Resolution 23.

RIGHT IN FRONT OF A MICHIGAN SENATOR.

Remember that Senator Townsend, who does some of the questioning of Mr. Kruttschnitt, represents the great State of Michigan, the home and center of the automotive industry. Mr. Kruttschnitt knows that and believes his dogmas, doctrines, creeds, and tenets are fully justified. Therefore he enunciates them boldly and devil take the hindmost! Note also that apparently Mr. Kruttschnitt has some friendly Senators querying him.

Mr. Kruttschnitt speaks:

The conditions under which the highways are constructed and operated are grossly discriminative against the railroads and in favor of their competitors. As a rule the improved highway is located immediately adjacent to the right of way of the steam road, where it inflicts the maximum destructive effect on steam-road traffic. Under their charters, which are agreements with the public, the steam carriers must provide and maintain their permanent ways at large expense; are subject to drastic regulations as to profits, living conditions, and terms of employment of those who work for them, and heavy damages for injuries to persons or property. The desire to develop and use the powerful motor trucks and passenger vehicles has blinded the public to the necessity for proper and equitable regulation of this service, which takes thousands of tons of freight and hundreds of thousands of passengers every day from established rail lines. By reason of the unlimited profits that these carriers are thus allowed to earn they can put competing railroad lines out of business or greatly curtail their revenues. Southern Pacific lines alone were deprived of over $4,000,000 of passenger revenues in 1920 by the competition of public motor vehicles. Taxes paid by all the people and to a large extent by the railroads themselves are used for the purpose of providing free highways for vehicles, which are subjected to no regulation for the protection of life and property, and whose heavy wheel loads rapidly destroy the roads. In common justice these public carriers should be required to pay a tax on freight and passengers carried commensurate with the use of and injury to the roads they pass over. The press credits the President to be keenly alive to these inequities and the Legislature of Oregon as being engaged in an investigation of them.

Senator WALCOTT. How did you arrive at that figure of $4,000,000 of loss in passenger revenue in the year 1920?

Mr. KRUTTSCHNITT. Because we keep track on the Southern Pacific of the number of these vehicles that are running and the number of people they carry.

Senator WOLCOTT. Well, are they common carriers, these vehicles that you keep track of—bus lines?

Mr. KRUTTSCHNITT. They are common carriers to the extent that private individuals operate them for profit, and for the carriage of freight and passengers, but they are not subject to the laws of common carriers, and that is what I am complaining about. They are favored at the expense of the general public.

Senator WOLCOTT. I understand that.

Mr. KRUTTSCHNITT. In other words, Tom, Dick, and Harry can go and use those roads to make all the money that he can rake in, and he doesn't have to pay anything for it, except for the gasoline to run his machine.

Senator WOLCOTT. I understand your contention on that, and it would seem to have some merit in it—to me at least. But your figures do not take any account of the private individual, the head of a family, who wants to go from town to town, and instead of riding on the train just loads his own family into a car and goes.

Mr. KRUTTSCHNITT. No; I have not mentioned that.

Senator WOLCOTT. So that your figure of $4,000,000 would be an underestimate, if anything?

Mr. KRUTTSCHNITT. Yes; it takes no account of that. We do not keep tab on private automobiles.

Senator WOLCOTT. I was curious to know how you reached that figure.

Mr. KRUTTSCHNITT. But take it in California. They build a new highway, an improved road. That is between two points. We have electric service between those points. The first thing we know some gentleman gets a great big autobus that can carry 40 or 50 people, and he runs it at the expense of the public, and incidentally at ours, because we are heavily taxed, right alongside of us, and takes the passengers from our trains. We can not stop because our business is no longer profitable. This gentleman can take his motorbus off that service any time he pleases; if it is bad weather, he need not run it. But we are tied down by obligations to the public fixed by law.

Senator TOWNSEND. Well, you are assuming, Mr. Kruttschnitt, that everybody that rides in an autotruck or an autocar would otherwise ride on your trains?

Mr. KRUTTSCHNITT. That is a fair assumption.

Senator TOWNSEND. Do you think it is?

Mr. KRUTTSCHNITT. I don't see why not. If we have a line which is carrying, we will say, a million passengers a month, and a road is built and a number of autobuses put on that carry passengers right alongside of us, it is fair to assume that all they take will be taken from us, unless some of the people who would not ride in the autobuses would buy their own automobiles, and those we do not complain of.

Senator TOWNSEND. Well, I think that has been a long argument of the railroads against the electric lines, that the electric lines that were paralleling them were destroying the steam roads' business—the steam roads' traffic. It has been quite the reverse in many cases, hasn't it? It has encouraged traffic, and your steam lines have not lost, although the electric lines have gained?

Mr. KRUTTSCHNITT. It has been the case where the electric lines have been designedly built as feeders to steam roads to bring the passengers to them; in such cases it has been profitable. But in most cases the electric lines have been built for the specific purpose of taking the traffic, which has been created and fostered by the steam roads, away from them and appropriating it.

The CHAIRMAN. You don't expect, Mr. Kruttschnitt, that the carriage by highway will be stopped?

Mr. KRUTTSCHNITT. Senator, I have not dreamed of suggesting that.

The CHAIRMAN. No.

Mr. KRUTTSCHNITT. I merely suggest, in line with what I say, what the President himself has suggested.

The CHAIRMAN. Precisely.

Mr. KRUTTSCHNITT. That it is not right to build these highways, at high cost to the people generally, and then permit a limited number of people to put heavy vehicles on them, vehicles that destroy these highways more rapidly in one trip that a thousand private automobiles would do, and let them reap unlimited profit from that business.

The CHAIRMAN. What you suggest is that those who carry freight for hire or those who carry passengers for hire shall pay a fair license fee or compensation for the privilege of using the roads which have been built and which are maintained by the public?

Mr. KRUTTSCHNITT. That is it. To pay a fair, reasonable price for the interest on construction of the roads and their maintenance. Now, take the State of Connecticut. I think the tax on my automobile is somewhere around $15 a year. The tax on heavy motor vehicles I don't think is as much as twice that. It ought to be very, very much more. Because the automobile that I run and that my neighbors run has a light wheel load, does not damage the roads, and we are probably forced into the side ditch by a truck that is carrying 10 or 15 tons.

Senator WOLCOTT. And then the driver will laugh at you.

Mr. KRUTTSCHNITT. Yes; laugh at me. While I have no personal feeling about being crowded into the ditch, except at the time being, when I am irritated, I do think that the fellow that is carrying such enormous loads there and tearing the roads up should be made to pay for it. In other words, he should not, at the expense of the public, reap all of that benefit from it and put it in his pocket. Year before last, after a heavy winter, the roads between New York and Stamford, Conn., were for the whole distance almost impassable. It was detour after detour where the roads had been torn up and were being repaired.

Senator WATSON. This traffic which you speak of, Mr. Kruttschnitt, is largely intrastate; it doesn't run over the State lines much, does it, especially in the western country?

Mr. KRUTTSCHNITT. Well, I am speaking about the local traffic. Of course all the traffic from the factories in Connecticut to New York is interstate.

Senator POMERENE. There are truck lines from Akron, Ohio, to Boston, that have been maintained for several years.

Senator WATSON. Yes; but do they do a great volume of business, Senator?

Senator POMERENE. Yes; they haul a large part of the product of the rubber plants there in that way, so I am advised.

The CHAIRMAN. Your argument is that the Government ought not to subsidize these carriers for hire, which are in competition with the railroads?

Mr. KRUTTSCHNITT. That is my point exactly, Senator. And they should not be allowed to wreck the business of steam lines, to wreck the property of citizens who have dedicated their money to public use, by the Government limiting the profit of the steam lines and allowing these gentlemen that make these common carrier companies to collect everything they can get without any regulation or limitation whatsoever. I know, living as I do along the New Haven road, you can go on what is called the Boston Post Road, which is a main road from New York to Boston, and the use of the road by the public for pleasure purposes is seriously interfered with by these fleets of these heavy motor trucks carrying machinery, and I don't know what all, from Connecticut factories parallel with the railroad to New York, for export.

The CHAIRMAN. You may proceed.

Senator FRELINGHUYSEN. Mr. Chairman, may I ask a question? Are these motor trucks run by incorporated companies, or are they run privately by the industry furnishing the product?

Senator POMERENE. The one that I spoke of was run privately by an industry.

Mr. KRUTTSCHNITT. Well, I can tell you, Senator, that if you will travel along this road that I have in mind you will see vehicles the size of a good-sized railroad box car on wheels labeled, "John Smith Quick Express Service between Bridgeport and New York." They are owned by private individuals. They are not subject to any regulation or any limitation as to earnings, or any regulations as to providing for the safety of the people they carry. They just proceed on their own hook and get all they can, and the heavier they load the trucks, why presumably the more they make. And there is almost no limit to the amount they put on.

Senator FRELINGHUYSEN. I am very familiar with the situation, because there are regular lines between New York and Philadelphia across New Jersey maintained at the present time, and they are destroying our roads without paying to the State a proper return for the damage they do.

Senator TOWNSEND. Well, that is largely a matter of regulation for the State, isn't it? The State can fix those charges. There is a license fee upon the users of the automobiles now which maintains the roads very largely after the roads are constructed. Most of the roads depend upon the automobile license fee to maintain the roads.

Senator FRELINGHUYSEN. That is not so in New Jersey, because they have a reciprocal arrangement with New York State; and if New York licenses the truck, New Jersey will not charge them a license fee, unless there is some recent legislation on that. But is it not interstate commerce from New York to Philadelphia?

Senator TOWNSEND. A great deal of it is.

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Senator TOWNSEND. The Federal Government is not contributing $1,400,000,000, as you mentioned. The Federal Government has contributed $275,000,000. Now, you got your figures from figures that are frequently stated of the moneys invested in roads. That is the statement that is put up in connection with the Federal aid. The Federal Government has expended only about $275,000,000—appropriated that money for the construction of roads, and that only goes into a very small proportion of the roads of any one State. The balance of this vast amount of money that you are speaking about is the money that the States are appropriating for constructing State and county roads. That is where the large amount comes in.

Senator POINDEXTER. The same principle would apply.

Senator TOWNSEND. The same principle would apply, only your amount is not the Federal money.

Mr. KRUTTSCHNITT. I was going to say that except for the correction that you make the principle still stands, that the public agencies should not discriminate in favor of carriers over the highways.

Senator TOWNSEND. I am very much in favor myself, and have advocated the proposition, that the users of the roads, especially those that use them for profit, should contribute very largely for the maintenance.

Senator POMERENE. For hire.

Mr. KRUTTSCHNITT. Those that are used for hire; that is the identical idea that I am arguing. I am not mentioning the private individuals. The private individuals use the roads at a nominal fee. A fee of $12 or $15 for a private automobile is not worth considering.

Senator TOWNSEND. You take your manufacturing concerns—for instance, the Buick people or the Ford people in Detroit; they don't use the roads for hire, but they ship their cars on their own power; they drive them across the country. The roads are full of them; full of those cars when they are delivering them.

The CHAIRMAN. You present rather a difficult problem, Mr. Kruttschnitt, because the public will remember all the while that the Government has made, in one form or another, very large contributions in the construction of steam railroads, in the form of rights of way and other things of that kind. It is pretty hard to tell just where the beneficence of the Government should cease in regard to public highways.

Mr. KRUTTSCHNITT. You must not blame me, Mr. Senator, if I don't remember that, because the Government did advance money to the Central Pacific for its construction and it collected every dollar with interest.

The CHAIRMAN. I don't mean in operations of recent times. I mean the public has given a large part of the right of way that is now used by the railroad companies without any compensation at all.

Mr. KRUTTSCHNITT. Yes; when that right of way was given it wasn't worth anything. Largely over land that was desert. Take our own roads. Most of the right of way is over public lands, over desert lands, which even to-day, with the existence of the railroads, could not be sold over $1 or $1.50 an acre.

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Mr. Kruttschnitt does not emphasize the land sold at $1,000 per acre and upward, nor that the value of these donated public lands is many hundreds of millions of dollars.

Now, the scene shifts to the House Ways and Means Committee, where your humble servant prances into the arena and points a lance at the somber foe of the "tin Lizzie" and its more opulent kinfolk:

STATEMENT OF HON. R. H. CLANCY, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MICHIGAN.

Mr. Chairman and gentlemen of the Ways and Means Committee, I am very glad to follow Mr. BLAND, of Virginia, because he has made clear to you one of the irritating difficulties of this automobile motor-truck law, and if you give your approval to my bill repealing the motor-truck war excise tax the time of future Ways and Means Committees will not be taken up with details of this sort. He has made it quite clear to you that the motor truck is a necessity.

Mr. TREADWAY. He was speaking of it for school purposes. He was only following one line, Mr. CLANCY.

Mr. TILSON. Yes; and you are broadening it now.

Mr. CLANCY. I want to make it broader. I want to reinforce that idea by saying that you consider the railroad a necessity, no doubt, and the Pennsylvania system, the Jersey Central system, and I understand a number of other progressive railroads throughout the country have adopted as a subsidiary transportation system the autotruck lines to relieve the road of the expensive short haul, which is one of the main factors in maintaining high transportation costs. A record was kept for three months in the State of Connecticut on the State highways, and it was ascertained in that small State 1,000,000 tons of freight were carried in autotrucks in the short haul, which is so disastrous to the railroads and to the general public.

Mr. GARNER. Carried how long—in what period of time?

Mr. CLANCY. Three months.

Mr. CHINDBLOM. In the entire State?

Mr. CLANCY. In the State of Connecticut; yes, sir; over the State highways.

Mr. TILSON. Mr. CLANCY did not tell you how many million dollars' worth of roads they tore up for Connecticut, nor did he tell you that the New Haven Railroad has been hovering near the edge of bankruptcy for some time because of the loss of business and because it has to maintain its right of way when these trucks do not have to maintain their right of way.

Mr. CLANCY. No; I do not think I could tell you the wear and tear on any road by a person walking across it, or an automobile traveling over it, or by horses traveling over it.

Mr. MILLS. And the New Haven is probably paying taxes in order to maintain the right of way for these trucks that are competing with it.

Mr. TILSON. That is exactly what happens.

Mr. CLANCY. The way the New Haven road has been managed, I do not think God Almighty could save it.

Mr. GARNER. If you follow out that idea, you would stop the use of automobile trucks that the railroads themselves operate for profit.

Mr. TILSON. No; I want them to pay for the roads. That is all I want.

Mr. GARNER. They pay their local taxes now, just the same as the railroads do.

Mr. TILSON. And they ought to pay for their roadbed just the same as the railroads must do.

Mr. GARNER. Probably so; but the railroads can use the trucks. He says the Pennsylvania system is doing that, and they can all do it if they want to.

Mr. TILSON. I do not think they ought to be allowed to use them without paying for the privilege of using the highways. I do not think the Pennsylvania road or any other road should be permitted to use trucks to help out the railroad system and thereby destroy the highways without paying for them.

Mr. TREADWAY. May I ask Mr. CLANCY this question? Has not the use of the automobile truck developed very gradually from the delivery, perhaps, of small quantities of goods over the highways, and eventually the big truck has come into existence?

Mr. CLANCY. Yes, sir.

Mr. TREADWAY. Would you not consider that is the method that has grown up in the country?

Mr. CLANCY. Yes, sir.

Mr. TREADWAY. Well, that being the case, have we not failed to legislate for permission, for the establishment of these great thoroughfares and rights of way for them?

Mr. CLANCY. These motor trucks are paying toll into the State treasuries, and that item is taken into consideration by the various State highway commissions in fixing the license taxes.

Mr. TREADWAY. I beg to differ with the gentleman there. You can not begin to figure the destruction to the highways covered by the license that any truck pays, that I know of, in the United States.

Mr. CLANCY. The gentleman is probably aware that about only one-half of the revenues raised from motor taxation is returned for the upkeep of roads. I have the figures here, and they are already in the record, and I will put them in the record again in a brief which I hope to file.

Mr. TREADWAY. I agree with you in this way, Mr. CLANCY: I believe in the commercial value of the automobile; I think we must encourage its use for commercial purposes, but I do not believe that the States or the Federal Government should provide a free right of way to be destroyed at will, and then for the companies making these trucks to come in and ask for a special exemption in the form of taxation in addition to the free rights of way and all the other privileges that they get under the present law. In other words, it looks to me as though we want to put the screws on a little tighter on that kind of transportation, rather than to add to the present privileges. That is the way I look at it.

Mr. CLANCY. I would remind the gentleman—which he undoubtedly knows and has forgotten—that the manufacturer does not pay this tax; the farmer pays the tax.

Mr. TREADWAY. No; I beg your pardon. The class of trucks that I am referring to are these tremendous big things that take as much space, carry as much goods, many tons of freight, as a freight car does. No farmer owns one of them in the United States.

Mr. CLANCY. The farmer owns a truck which carries his produce.

Mr. TREADWAY. Oh, well, that is a different proposition. I am talking about these great big heavy trucks that destroy the highways.

Mr. CLANCY. The gentleman did not allow me to finish my sentence.

Mr. TREADWAY. I beg your pardon. I will not interrupt you again.

Mr. CLANCY. I was going to say that the farmer, the owner of the truck and the ultimate consumer, pays the tax. The manufacturer does not pay a cent of the tax. He transmits the cost to the purchaser of the motor car.

This motor-truck tax amounts to only $10,700,000. It is one of the most indefensible taxes that you have to consider.

A STORM AROSE; THE THUNDER ROLLED.

By this time the dignified colloquy had become a roaring chorus, with numerous gentlemen shouting questions and answers all at the same time to the utter discomfiture of the committee stenographer. The rest of the hearing was not so clearly a discussion of Mr. Kruttschnitt's dark Machiavellian philosophy, and my audience is spared it.

But now enters Mr. OLDFIELD, of Arkansas, and the scene shifts to the floor of the House, and he is reported on page 2444 of the CONGRESSIONAL RECORD.

THE OLD GUARD AGAIN.

Mr. MILLS and the 10 others referred to by Mr. OLDFIELD are the coterie which I frequently called the old guard on the floor of the House and in various statements.

Mr. OLDFIELD speaks:

You ought to understand them thoroughly, and I want to call your attention to the report of Mr. MILLS and the 10 others. He is referring to this section, and on page 42 he says:

> "The railroads of the country have just had a good year, but they have been unable for the last few years to obtain the necessary funds for permanent improvements by inviting more partners and fresh capital and have had to rely on mortgage financing."

Now, if they had not put that in the report, I would not have said anything about the railroads in this argument, but that goes to the country and goes to the railroad owners so that I want to answer that paragraph. Is it not a wonder, gentlemen, that after the experience of the American people with the railroad owners—not exactly the railroad owners of America but the railroad wreckers of America—that they can get anybody to go into partnership with them and give them money with which to carry on their business? I do not want to destroy the railroads; I do not want to hurt the railroads or any other business institutions in America, but I think it comes with poor grace for these men to come here and make an argument for a lower surtax rate in order to help the railroads to get money in order to carry on their business, when everybody knows they wrecked the New York, New Haven & Hartford, and that is the reason why they can not get partners.

They wrecked the Frisco line, they wrecked the Rock Island road, and the Gould outfit wrecked the Gould system. And then these men talk about reducing the surtax in order that they may get fresh money to put into their business.

Everybody knows, and I can prove, that 20 years ago the railroads owned every State legislature in this Union; they debauched everybody who was debauchable, if you please, in the interest of the railroads—not in the interest of the railroads, either, but in the interest of the men who were preparing and fixing to wreck the railroads of the country. And yet they come here, my friends, and ask you to reduce the surtaxes in order that these same railroads may get additional money.

Then, gentlemen, they do not want to take off the taxes on automobile trucks. Why? Because the automobile trucks in our country are competing with the railroads. One railroad president a short time ago appeared before a Senate committee and said he could not compete with the automobile and the trucks. That is largely true in my country. On a 25 or 30 mile haul they will not load a freight car, pay the freight, and unload it, but they will hire trucks and carry the freight in that way because they can do it cheaper. And one of the biggest railroad men in America, the highest-salaried railroad president in America, getting $120,000 a year, made the statement before a Senate committee that the railroads could not compete with automobile trucks. He was asked, "What are we to do for you?" And he said, "I think you ought to make these highways toll roads." Yes; let the people pay for the roads and then make them toll roads and pay for going over them, thus reducing the competition with the railroads and permitting the railroads to still hold up the people, if you please, in freight and passenger rates. And yet they come here in this report and want you to reduce the surtaxes, the high surtaxes levied on the rich, my friends, because they want those people to have money to lend to the railroads and to the public utilities.

The public utilities are in the same fix. The public utilities in St. Louis are now in the hands of a receiver, as is the case in many other cities of the country, not because they were not a paying investment, but because of the wreckers of those institutions, the wreckers of those big business institutions, wreckers who wanted to milk the corporations and let the people and taxpayers in the localities hold the bag, if you please.

Mr. TAGUE speaks in the same strain on the floor of the House, as reported on page 2592 of the CONGRESSIONAL RECORD.

I want to direct the attention of every Member in this House to the railroad situation of this country. It can not be said that the condition of some of the railroads of the country to-day was caused by the war. It can not be said that their deplorable condition was caused by accident. It was rather the acts of unscrupulous men who robbed and plundered the treasuries of some of the railroads of this country for their own benefit.

I know whereof I speak. In my own State of Massachusetts, I served on the committee which investigated the theft of the capital of some of the railroads in New England. I also want to refer to the New York, New Haven & Hartford Railroad scandal, to the Boston & Maine Railroad scandal, to the street-railway scandal, to the destruction of competing steamboat lines by the New Haven Railroad, and then ask yourselves why the people of these United States will not put their money into these securities. Mr. Chairman and gentlemen of the House, these are only a few of the exhibitions by these men in high finance that cause the people to hesitate before again trusting them with their savings. They took from the people of New England over $400,000,000 and drove the value of their securities in these railroads to practically nothing. Railroad stocks selling at over $200 a share are now selling at $13 a share; street-railroad lines and railroad companies in the hands of receivers; steamboat lines sold upon the market for practically nothing; and then these men come forward after their unscrupulous methods and say, "Give us more of the money of the people of this Nation that we may play with it."

Reference was made here to-day to the Rockefeller millions. It was men like Rockefeller and his associates who wrecked the Boston & Maine Railroad and the New York, New Haven & Hartford Railroad. For years Mr. Rockefeller played with the money of the people of this Nation, and when old age was coming and he thought he had played with the people's money long enough he took his earnings out of

industry and stocks and placed it in nontaxable securities, where it could not be touched by the taxation system of the Government, which had protected him in all these years. I am not afraid of nontaxable securities. There will be a time when we will reach nontaxable securities, and the time is not far distant. When the railroads apply to the people of this Nation for more money, let me say that the people of the country have lost confidence in railroad stocks and bonds and will no longer take them.

We will have more investigations in time to come perhaps, and we will have exposés as we are having to-day at the other end of the Capitol; but, my friends, business will never be good, the people will never trust the men in high finance again, until they resort to different methods than those of deception, bribery, and corruption.

NOW, CLASS, SOME CALISTHENICS.

But by this time the class must be tired of the shock of fiercely *contending* humans, so let us taper off with some didactic "questions and answers" on vital points developed in the committee and House discussions:

Question. While the motor user pays large sums to the United States he receives back large sums in road construction. Does any other class get similar treatment?

Answer. Yes. The steel industry is given contracts for steel used in battleships, but is not called on to pay a special tax. The farmer does not pay a special tax for the work of the Department of Agriculture. There is always a special benefit to somebody out of every activity for the general good, but others are not compelled to pay discriminatory taxes as the moter user is.

Highways are public property and are used by all the public. They are only constructed by the Nation. They are maintained by the State and its subdivisions. The motorist pays for their maintenance through State and local taxes.

No class should be called upon to bear the cost of a general benefit and in no other case is a class called upon to do so.

Further, the Government does not award money for highway construction for the sole benefit of the motor user. Highway construction constitutes a general benefit in which all participate. It increases property valuations, provides for the national defense, facilitates the Postal Service, lowers the cost of transportation, makes possible better health, police, fire, and sanitation standards for farmer and city man alike, and promotes the welfare of the Nation through binding communities and States together.

The Government does not appropriate highway funds for the benefit of the motor user, but because the whole public demands them.

HEAVY MOTOR TRUCKS.

Question. The heavy motor truck damages the road; why should not it pay the tax?

Answer. Every State has laws for the protection of its highways against abuse. These laws should be enforced; and where they are, the trucks do not unduly damage the highways. Witness Maryland, Connecticut, and other Commonwealths, where stringent overloading laws are enforced. These laws should be enforced everywhere, and no one in the motor industry holds any brief for those who violate them.

The testimony of T. H. MacDonald, Chief of the Bureau of Public Roads, before the Senate District Subcommittee on Traffic, set forth clearly that a load of 28,000 pounds is permissible under favorable weather conditions.

Regulatory laws exist. Will anyone say that the police can not enforce them?

The heavy motor truck is not used for pleasure. It is used only because of a public demand for transportation, and every cost added to its use must be paid for by the consumer. Examine the uses of the heavy vehicle, and it will be found transporting milk, meat, coal, building materials, and the other commodities essential to life. It is used only when it is cheaper than other forms of transport, or when it provides a transport which would not exist otherwise.

Its field is necessarily limited, but in its field it is indispensable.

GOOD MORNING, JUDGE.

Then come aluminum and other gougers on the component parts of the automobile, each predatory malefactor bending the back of the motorist still farther over his steering wheel.

Now I append a table showing some of the various gentry and interests which live off of and on and with the automotive industry. It is prepared by the National Automobile Chamber of Commerce, published in the Detroit Free Press, under date of January 6, 1924, covering the commodities going into the manufacture of cars, such as iron and steel, aluminum, glass, and so forth. The clipping is as follows:

[From Detroit Free Press, January 6, 1924.]

Preliminary facts and figures of the automobile industry for 1923, by Alfred Reeves, general manager National Automobile Chamber of Commerce.

PRODUCTION.

Cars and trucks	4,014,000
Cars	3,644,000
Trucks	370,000
Previous record motor-vehicle production, 1922	2,659,064
Percentage increase over 1922	50
Production of closed cars	1,235,000
Per cent closed cars	35
Total wholesale value of cars	$2,243,385,000
Total wholesale value of trucks	$267,500,000
Total wholesale value of cars and trucks	$2,510,885,000
Tire production	45,000,000
Wholesale value of motor-vehicle tire business	$760,000,000
Total wholesale value of parts and accessories, exclusive of tires	$1,310,000,000
Average retail price of car, 1923	$811
Average retail price of truck, 1923	$1,080
Purchasing power of automobile dollar (1913=100)	$1.11
Number of persons employed in motor-vehicle and allied lines	2,750,000
Special Federal excise taxes paid to United States Government by automobile industry in 1923	$155,000,000

REGISTRATION.

Motor vehicles registered in United States (approximately)	14,500,000
Motor cars	12,880,000
Motor trucks	1,620,000
World registration of motor vehicles	17,000,000
Per cent of world registration owned by United States	85
Motor vehicle registration on farms	4,250,000
Motor cars	3,890,000
Motor trucks	360,000
Miles of improved highway	430,000
Total miles of highways in United States	2,941,294

AUTOMOBILE'S RELATION TO OTHER BUSINESS.

Number of carloads of automobiles, parts, and tires shipped over railroads	750,000
Per cent of rubber supply used by automobile industry	70
Per cent of plate glass supply used by automobile industry	36
Per cent of copper supply used by automobile industry	14
Per cent of aluminum supply used by automobile industry	25
Per cent of iron and steel supply used by automobile industry	4
Per cent of upholstery leather supply used by automobile industry	54
Gasoline consumed by motor vehicles, 1923 (gallons)	5,404,184,000

MOTOR BUS AND MOTOR TRUCK.

Number of motor busses in use	51,000
Number of consolidated schools using motor transportation	12,500
Number of street railways using motor busses	107
Number of railroads using motor vehicles on short lines	157

EXPORTS.

Number of motor vehicles exported from United States factories and Canadian plants owned in United States	328,333
Number of motor cars exported	189,884
Number of motor trucks exported	37,049
Number of assemblies abroad of American cars	101,400
Value of motor vehicles and parts exported (including engines and tires)	$234,129,000
Rank of automobiles and parts among all exports	6
Per cent of motor vehicles exported	8
Imports of motor vehicles	890

MOTOR VEHICLE RETAIL BUSINESS IN UNITED STATES.

Total car and truck dealers	43,607
Public garages	50,911
Service stations and repair shops	67,802
Supply stores	65,988

HIGHWAYS.

The total amount paid into the United States Treasury from receipts on discriminatory motor taxes from 1917 to 1923, inclusive, was	$589,000,000
The total withdrawals from the United States Treasury for Federal highway aid from 1917 to 1923, inclusive, were	$264,800,000

Relation of highway withdrawals to motor payments, 45 per cent.

HARK! A FRIENDLY VOICE.

Statement of Secretary of Agriculture Henry C. Wallace:

The automobile revenues of the Government for the last fiscal year ended June 30, 1923, were, in round numbers, $146,000,000, and the withdrawals from the Treasury for Federal-aid highway purposes were approximately $72,000,000, which indicates clearly that the owners and operators of motor vehicles on our highways are bearing more than double the entire Federal expenditure for roads.

In a day or so I hope to show the slimy trail of oil across the motorist's windshield and into his pocketbook, as shown in the congressional struggle of two years ago.

TIME AND THE VOTER CORRECT ALL.

Let us close with the sovereign voter, his friends and relatives. The table shows his habitat, and all candidates for the House and Senate will surely give this at least one fleeting glance. It is taken from a standard auto journal, the Automotive Industries, issue of January 10, 1924, and is presumed to represent the latest compilation of figures on the subject. It is estimated that 4,000,000 new cars will be sold in 1924. Thus does the prolific motor voter multiply!

Registration of motor vehicles.

States.	Total registration of cars and trucks.	Passenger cars.	Trucks.	Motor cycles.	Total fees.
Alabama	126,642	112,797	13,845	599	$1,532,614
Arizona	48,386	41,852	6,534	388	281,584
Arkansas	111,946	100,758	11,188	300	1,698,000
California	1,093,660	1,050,265	43,395	14,654	10,548,386
Colorado	189,500	176,000	13,500	2,500	1,125,500
Connecticut	191,647	156,747	34,900	2,500	4,329,269
Delaware	29,500	24,000	5,500	400	625,000
District of Columbia	103,171	94,787	8,384	2,510	445,712
Florida	160,000	130,000	30,000	1,200	1,963,000
Georgia	173,794	151,325	22,469	1,011	2,156,406
Idaho	62,350	56,950	5,400	670	913,440
Illinois	969,092	847,005	122,087	7,612	9,653,795
Indiana	582,882	509,821	73,061	5,000	3,993,699
Iowa	572,611	536,296	36,315	3,034	8,825,962
Kansas	375,594	349,038	26,556	1,950	203,158
Kentucky	196,110	175,869	20,241	1,014	2,680,580
Louisiana	138,500	117,500	21,000	350	2,200,000
Maine	106,847	91,055	15,792	1,558	1,659,349
Maryland	206,450	193,850	12,600	4,850	3,452,720
Massachusetts	566,150	482,645	83,505	11,733	6,989,633
Michigan	728,327	655,017	73,310	4,163	8,845,575
Minnesota	448,187	399,404	48,783	3,220	7,244,490
Mississippi	103,850	93,850	10,000	114	1,166,923
Missouri	450,800	405,720	45,080	2,000	4,800,000
Montana	73,827	65,448	8,379	374	729,678
Nebraska	285,488	258,941	26,547	1,605	3,350,640
Nevada	15,700	12,400	3,300	90	155,000
New Hampshire	59,571	52,583	6,988	1,987	1,447,000
New Jersey	418,212	329,534	88,678	8,779	7,927,439
New Mexico	31,737	28,564	3,173	172	280,000
New York	1,214,090	966,116	247,974	22,981	19,858,572
North Carolina	247,700	226,500	21,200	1,300	6,642,503
North Dakota	109,244	105,957	3,287	645	760,444
Ohio	1,072,750	924,832	147,918	15,300	9,500,000
Oklahoma	307,000	288,424	18,576	823	3,380,000
Oregon	166,403	152,967	13,436	3,140	4,069,550
Pennsylvania	1,064,625	899,697	164,928	19,817	15,828,494
Rhode Island	116,940	93,303	23,637	1,800	1,440,257
South Carolina	128,656	116,537	12,119	561	902,608
South Dakota	131,707	121,152	10,555	466	2,000,000
Tennessee	165,000	146,500	18,500	800	2,200,000
Texas	688,899	618,208	70,691	3,346	5,647,663
Utah	66,025	57,460	8,565	766	834,225
Vermont	52,776	49,420	3,356	839	938,860
Virginia	217,200	188,200	29,000	1,800	2,500,000
Washington	258,264	221,164	37,100	3,560	4,200,000
West Virginia	157,926	150,472	7,454	1,353	2,608,508
Wisconsin	455,714	422,714	33,000	5,643	4,968,053
Wyoming	39,845	35,295	4,550	291	415,000
Total	15,281,295	13,484,939	1,796,356	171,568	189,919,289

Mr. HASTINGS. Mr. Speaker, the question of tax reduction is, of course, one of intense interest to everyone throughout the country. The bill under consideration is to amend and take the place of the revenue act of 1921, and has for its purpose to reduce and equalize taxes and to provide revenue.

The bill as originally introduced contained 344 printed pages. Almost every provision of the revenue act of 1921 is amended, either by additions or eliminations or changes of some kind, and there has been much misrepresentation as to the attitude of Members of Congress spread broadcast throughout the country by well-organized propaganda. A very large number of people were led to believe that the so-called Mellon plan and tax reduction were synonymous. For that reason many letters and telegrams were sent to Members of Congress, and resolutions were passed urging that the Representatives in Congress should support the so-called Mellon plan of tax reduction. The records show that this tax bill was introduced in the House of Representatives on February 7, 1924 (H. R. 6715), and was reported by the Ways and Means Committee on February 11, 1924, and the reported bill contained 242 pages. Of course, the public could not have known many of the provisions of the bill prior to that time.

The truth is that every Member of Congress was in favor of tax reduction, the only differences between them being as to the plan of reduction.

The Committee on Ways and Means reported the Mellon plan in sections 210 and 211 of the proposed bill.

Section 210 deals with the normal tax and it provides for the collection of a normal tax of 3 per cent of the net income upon the first $4,000 over and above the exemption of $1,000 allowed to a single person, and the exemption of $2,500 allowed to married persons whose incomes are less than $5,000, and 6 per cent on all the income in excess of that amount; and section 211 of the so-called Mellon, or Treasury plan, provides that a surtax shall be collected beginning with 1 per cent of the amount by which the net income exceeds $10,000, and does not exceed $12,000, and is graduated upward until 25 per cent is collected on the net income which exceeds $100,000. The difference between this so-called Mellon plan and the Democratic plan is:

First. The exemption of an unmarried person is raised from $1,000 to $2,000, and the exemption of married persons is raised from $2,500 to $3,000.

Second. The normal income-tax rate is 2 per cent on amounts of $5,000 and under, 4 per cent on amounts from $5,000 to $10,000, and 6 per cent on all amounts in excess of $10,000.

Third. The surtaxes levied under the Democratic plan begin with a 1 per cent surtax on all incomes between $12,000 and $14,000, and were graduated upward until 44 per cent was collected on all incomes between $92,000 and $94,000, and on all incomes above that amount. For convenient reference, and in order that the two plans may be compared, I am inserting herewith the surtax rates as proposed by the two plans and the Longworth substitute or compromise:

Comparison of surtax rates.

Income.	Present law.	Mellon plan.	Democratic plan.	Longworth compromise plan.
	Per cent.	*Per cent.*	*Per cent.*	*Per cent.*
$6,000-$10,000	1	0	0	0
$10,000-$12,000	2	1	0	1½
$12,000-$14,000	3	2	1	2½
$14,000-$16,000	4	3	2	3
$16,000-$18,000	5	4	3	3½
$18,000-$20,000	6	5	4	4½
$20,000-$22,000	8	6	5	6
$22,000-$24,000	9	7	6	6½
$24,000-$26,000	10	8	7	7½
$26,000-$28,000	11	9	8	8½
$28,000-$30,000	12	10	9	9
$30,000-$32,000	13	11	10	9½
$32,000-$34,000	15	12	11	11½
$34,000-$36,000	15	13	12	11½
$36,000-$38,000	16	14	13	12
$38,000-$40,000	17	14	14	12½
$40,000-$42,000	18	15	15	13½
$42,000-$44,000	19	15	16	14½
$44,000-$46,000	20	15	17	15
$46,000-$48,000	21	16	18	15½
$48,000-$50,000	22	16	19	16½
$50,000-$52,000	23	16	20	17½
$52,000-$54,000	24	17	21	18
$54,000-$56,000	25	17	22	18½
$56,000-$58,000	26	17	23	19½
$58,000-$60,000	27	18	24	20½
$60,000-$61,000	28	18	25	21
$61,000-$62,000	28	18	26	21
$62,000-$63,000	29	18	27	21½
$63,000-$64,000	29	18	28	21½
$64,000-$65,000	30	19	29	22½
$65,000-$66,000	30	19	30	22½
$66,000-$68,000	31	19	31	23½
$68,000-$70,000	32	19	32	24
$70,000-$72,000	33	20	33	24½
$72,000-$74,000	34	20	34	25½
$74,000-$76,000	35	20	35	26½
$76,000-$78,000	36	21	36	27
$78,000-$80,000	37	21	37	27½
$80,000-$82,000	38	21	38	28½
$82,000-$84,000	39	22	39	29½
$84,000-$86,000	40	22	40	30
$86,000-$88,000	41	22	41	30½
$88,000-$90,000	42	23	42	31½
$90,000-$92,000	43	23	43	32½
$92,000-$94,000	44	23	44	33
$94,000-$96,000	45	24	44	33½
$96,000-$98,000	46	24	44	34½
$98,000-$100,000	47	24	44	35½
$100,000-$150,000	48	25	44	36
$150,000-$200,000	49	25	44	36½
$200,000 and over	50	25	44	37½

An examination of these plans shows that the Democratic plan relieves the small income-tax payer by, first, increasing the exemptions on single persons from $1,000 to $2,000, and upon married persons whose incomes are less than $5,000 from $2,500 to $3,000; second, reducing the normal taxes on the smaller incomes; and, third, increasing the exemptions upon which surtaxes are collected so as to begin at the rate of 1 per

cent upon net incomes between $12,000 and $14,000, instead of beginning, as does the Mellon plan, at the rate of 1 per cent upon net incomes between $10,000 and $12,000; and the Democratic plan increases the income taxes collected upon those paying the higher incomes so as to collect 44 per cent on net incomes of $92,000 or more, whereas the Treasury or Mellon plan collects only 25 per cent on the higher net incomes of $100,000 or more.

Stating the matter in a different way and using the statistics of the year 1921, these being the last figures available, 6,662,176 persons made Federal income-tax returns in 1921. The Democratic plan will afford a greater reduction upon 6,652,833 persons making income-tax returns, while under the Treasury or Mellon plan only 9,343 persons will receive a greater reduction in their taxes than they would receive under the Democratic plan.

In my State of Oklahoma 69,381 persons made Federal income-tax returns in 1921. Of these, 69,349 persons will receive a greater reduction under the Democratic plan, whereas only 32 would receive a greater reduction under the Mellon or Treasury plan. In order that these figures may be available, I am inserting herewith a table showing numerical comparison of taxpayers by States for the year 1921, the latest available statistics from the Treasury Department, as follows:

[The first column of figures represents the number of persons in each State who paid Federal taxes in 1921; the second column represents those who will receive a greater reduction in their taxes under the Democratic plan than under the Mellon plan; and the third column represents those who will receive a greater reduction in their taxes under the Mellon plan than under the Democratic plan.]

State.	(1)	(2)	(3)
Alabama	43,009	42,975	34
Arizona	18,477	18,476	1
Arkansas	33,830	33,820	10
California	286,082	385,647	435
Colorado	69,676	69,636	40
Connecticut	123,269	123,096	173
Delaware	15,889	15,872	17
District of Columbia	89,966	89,864	102
Florida	42,249	42,221	28
Georgia	67,719	67,671	48
Hawaii	11,481	11,451	30
Idaho	22,976	22,974	2
Illinois	611,558	610,703	855
Indiana	150,300	150,216	84
Iowa	111,483	111,441	42
Kansas	88,785	88,770	15
Kentucky	69,496	69,451	45
Louisiana	67,960	67,911	49
Maine	44,397	44,355	42
Maryland	112,963	112,787	176
Massachusetts	388,442	387,693	749
Michigan	250,147	249,883	264
Minnesota	124,501	124,370	131
Mississippi	25,614	25,606	8
Missouri	172,519	172,350	169
Montana	36,907	36,903	4
Nebraska	71,853	71,832	21
Nevada	9,719	9,717	2
New Hampshire	32,410	32,386	24
New Jersey	269,096	268,692	404
New Mexico	11,780	11,778	2
New York	1,066,637	1,063,606	3,031
North Carolina	44,161	44,109	52
North Dakota	18,440	18,439	1
Ohio	367,096	366,657	439
Oklahoma	69,381	69,349	32
Oregon	62,804	62,776	28
Pennsylvania	621,103	619,885	1,218
Rhode Island	48,057	47,919	138
South Carolina	25,160	25,149	11
South Dakota	21,681	21,680	1
Tennessee	60,949	60,919	30
Texas	200,188	200,084	104
Utah	26,128	26,125	3
Vermont	17,746	17,732	14
Virginia	76,257	76,225	32
Washington (Alaska)	115,688	115,659	29
West Virginia	75,277	75,215	62
Wisconsin	148,457	148,350	107
Wyoming	22,413	22,408	5
Total	6,662,176	6,652,833	9,343

When these figures are compared and analyzed, and the people are advised as to the difference between the two plans, I assert with great confidence that they will favor the adoption of the Democratic plan.

In order to assist in making a further comparison I am inserting a table showing comparative tax of married persons without dependents and the percentage of reduction under the Mellon and under the Democratic plans as compared with existing law, as follows:

Income.	Amount of tax under—			Per cent reduction under—	
	Present law.	Mellon plan.	Democratic plan.	Mellon plan.	Democratic plan.
				Per cent.	*Per cent.*
$5,000	$100.00	$75.00	$40.00	25.00	60.00
$10,000	520.00	360.00	240.00	30.76	53.84
$20,000	1,720.00	1,260.00	1,040.00	26.74	39.53
$30,000	3,520.00	2,660.00	2,340.00	24.43	30.68
$40,000	5,840.00	4,540.00	4,140.00	22.26	29.10
$50,000	8,640.00	6,680.00	6,440.00	22.68	25.46
$60,000	11,940.00	8,980.00	9,240.00	24.79	22.61
$70,000	15,740.00	11,640.00	12,750.00	26.04	18.99
$80,000	20,040.00	14,080.00	16,850.00	29.74	15.91
$90,000	24,840.00	16,880.00	21,450.00	32.04	13.64
$100,000	30,140.00	19,940.00	26,430.00	33.84	12.30
$200,000	86,640.00	52,740.00	76,430.00	39.12	11.78

The above table shows the amount of tax that would be collected under the present law, the amount that would be collected under the Mellon plan, and the saving to the taxpayers that would be effected under the Democratic plan.

Upon a vote in the House upon the two plans, the Mellon plan was rejected by a vote of 261 to 153, or by a majority of 108 votes. Sixty-two Republicans voted against the Mellon plan and in favor of the Democratic plan. The so-called compromise plan, introduced by the majority leader, Mr. LONGWORTH, does not materially differ from the Democratic plan. The principal differences are, first, the Longworth compromise plan does not raise the exemption upon individuals from $1,000 to $2,000, nor upon married persons from $2,500 to $3,000, as does the Democratic plan; second, it lowers the normal taxes, as does the Democratic plan, to 2 per cent upon the first $4,000, in excess of exemptions, and then it collects 5 per cent upon the next $4,000, and thereafter 6 per cent is the normal tax collected, whereas the Democratic plan imposes a normal income tax of 2 per cent on amounts of $5,000, 4 per cent on amounts from $5,000 to $10,000, and 6 per cent on the net incomes in excess of that amount; and, third, the compromise plan collects a surtax on net incomes between $10,000 and $12,000, whereas the Democratic plan begins imposing a surtax on net incomes between $12,000 and $14,000, and both plans graduate the surtax until 37½ per cent is collected in the highest brackets under the compromise plan upon net incomes of $200,000 or over, whereas the Democratic plan collects 44 per cent upon net incomes of $92,000 and over that amount.

There is no difference in principle between the plans, except as herein stated, between the Democratic plan and the compromise plan.

It is estimated that the raising of exemptions on incomes from $1,000 to $2,000 on single persons, and from $2,500 to $3,000 on married persons, would relieve about 800,000 persons from making returns, who are now required to make such returns, and would relieve from further taxes nearly 1,646,000 persons whose average taxes are under $12,000 each.

For convenient reference I am inserting the following comparative table showing amount of surtax under the existing law, Mellon plan, Democratic plan, and Longworth compromise plan:

Income.	Present.	Mellon.	Democratic.	Longworth.
$11,000	$60.00	$10.00	.....	$15.00
$12,000	80.00	20.00	.....	30.00
$13,000	110.00	40.00	$10.00	52.50
$14,000	140.00	60.00	20.00	75.00
$15,000	180.00	90.00	40.00	105.00
$16,000	220.00	120.00	60.00	135.00
$17,000	270.00	160.00	90.00	172.50
$18,000	320.00	200.00	120.00	210.00
$19,000	380.00	250.00	160.00	255.00
$20,000	440.00	300.00	200.00	300.00
$21,000	520.00	360.00	250.00	360.00
$22,000	600.00	420.00	300.00	420.00
$23,000	690.00	490.00	360.00	487.50
$24,000	780.00	560.00	420.00	555.00
$25,000	880.00	640.00	490.00	630.00
$26,000	980.00	720.00	560.00	705.00
$27,000	1,090.00	810.00	640.00	787.50
$28,000	1,200.00	900.00	720.00	870.00
$29,000	1,320.00	1,000.00	810.00	960.00
$30,000	1,440.00	1,100.00	900.00	1,050.00
$31,000	1,570.00	1,210.00	1,000.00	1,147.50
$32,000	1,700.00	1,320.00	1,100.00	1,245.00
$33,000	1,850.00	1,440.00	1,210.00	1,357.50

Income.	Present.	Mellon.	Democratic.	Longworth.
$34,000	$2,000.00	$1,560.00	$1,320.00	$1,470.00
$35,000	2,150.00	1,690.00	1,440.00	1,582.50
$36,000	2,300.00	1,820.00	1,560.00	1,720.00
$37,000	2,460.00	1,960.00	1,690.00	1,815.00
$38,000	2,620.00	2,100.00	1,820.00	1,935.00
$39,000	2,790.00	2,240.00	1,960.00	2,062.50
$40,000	2,960.00	2,380.00	2,100.00	2,190.00
$41,000	3,140.00	2,530.00	2,250.00	2,325.00
$42,000	3,320.00	2,680.00	2,400.00	2,460.00
$43,000	3,510.00	2,830.00	2,560.00	2,602.50
$44,000	3,700.00	2,980.00	2,720.00	2,745.00
$45,000	3,900.00	3,130.00	2,890.00	2,895.00
$46,000	4,100.00	3,280.00	3,060.00	3,045.00
$47,000	4,310.00	3,440.00	3,240.00	3,202.50
$48,000	4,520.00	3,600.00	3,420.00	3,360.00
$49,000	4,740.00	3,760.00	3,610.00	3,525.00
$50,000	4,960.00	3,920.00	3,800.00	3,690.00
$51,000	5,190.00	4,080.00	4,000.00	3,862.50
$52,000	5,420.00	4,240.00	4,200.00	4,035.00
$53,000	5,660.00	4,410.00	4,410.00	4,215.00
$54,000	5,900.00	4,580.00	4,620.00	4,395.00
$55,000	6,150.00	4,750.00	4,840.00	4,852.50
$56,000	6,400.00	4,920.00	5,060.00	4,770.00
$57,000	6,660.00	5,090.00	5,290.00	4,965.00
$58,000	6,920.00	5,260.00	5,520.00	5,160.00
$59,000	7,190.00	5,440.00	5,760.00	5,362.50
$60,000	7,460.00	5,620.00	6,000.00	5,565.00
$61,000	7,740.00	5,800.00	6,250.00	5,775.00
$62,000	8,020.00	5,980.00	6,510.00	5,985.00
$63,000	8,310.00	6,160.00	6,780.00	6,202.50
$64,000	8,600.00	6,340.00	7,060.00	6,420.00
$65,000	8,900.00	6,530.00	7,350.00	6,645.00
$66,000	9,200.00	6,720.00	7,650.00	6,870.00
$67,000	9,510.00	6,910.00	7,960.00	7,102.50
$68,000	9,820.00	7,100.00	8,270.00	7,335.00
$69,000	10,140.00	7,290.00	8,590.00	7,575.00
$70,000	10,460.00	7,480.00	8,910.00	7,815.00
$71,000	10,790.00	7,680.00	9,240.00	8,062.50
$72,000	11,120.00	7,880.00	9,570.00	8,310.00
$73,000	11,460.00	8,080.00	9,910.00	8,565.00
$74,000	11,800.00	8,280.00	10,250.00	8,820.00
$75,000	12,150.00	8,480.00	10,600.00	9,082.50
$76,000	12,500.00	8,680.00	10,950.00	9,345.00
$77,000	12,860.00	8,890.00	11,310.00	9,615.00
$78,000	13,220.00	9,100.00	11,670.00	9,885.00
$79,000	13,590.00	9,310.00	12,040.00	10,162.50
$80,000	13,960.00	9,520.00	12,410.00	10,440.00
$81,000	14,340.00	9,730.00	12,790.00	10,725.00
$82,000	14,720.00	9,940.00	13,170.00	11,010.00
$83,000	15,110.00	10,160.00	13,560.00	11,302.50
$84,000	15,500.00	10,380.00	13,950.00	11,595.00
$85,000	15,900.00	10,600.00	14,350.00	11,895.00
$86,000	16,300.00	10,820.00	14,750.00	12,195.00
$87,000	16,710.00	11,040.00	15,160.00	12,502.50
$88,000	17,120.00	11,260.00	15,570.00	12,810.00
$89,000	17,540.00	11,490.00	15,990.00	13,125.00
$90,000	17,960.00	11,720.00	16,410.00	13,440.00
$91,000	18,390.00	11,950.00	16,840.00	13,762.50
$92,000	18,820.00	12,180.00	17,270.00	14,085.00
$93,000	19,260.00	12,410.00	17,710.00	14,415.00
$94,000	19,700.00	12,640.00	18,150.00	14,745.00
$95,000	20,150.00	12,880.00	18,590.00	15,082.50
$96,000	20,600.00	13,120.00	19,030.00	15,420.00
$97,000	21,060.00	13,360.00	19,470.00	15,765.00
$98,000	21,520.00	13,600.00	19,910.00	16,110.00
$99,000	21,990.00	13,840.00	20,350.00	16,462.50
$100,000	22,460.00	14,080.00	20,790.00	16,815.00
$150,000	46,460.00	26,580.00	42,790.00	34,815.00
$200,000	70,960.00	39,080.00	64,790.00	53,190.00
$250,000	95,960.00	51,580.00	86,790.00	71,940.00

TAX REDUCTION JUSTIFIED.

The Treasury Department, under date of November 10, 1923, advised that there would be a surplus of more than $300,000,000 for the present year. For the fiscal year 1923, ending on June 30, 1923, there was a surplus of $309,657,460.30, and it is estimated for the year 1924 there will be a surplus of $329,639,924, and for the fiscal year of 1925, $395,681,634.

It will be seen, therefore, that it was the plain duty of the Congress to relieve the people of these unnecessary tax burdens.

It is interesting to remember that when the adjusted compensation bill was passed by the last Congress the Treasury Department, in order to justify a presidential veto of that bill, estimated that there would be a deficit of approximately $650,000,000.

OTHER PROVISIONS OF THE BILL.

There are, of course, many other provisions of the bill in addition to the income-tax provisions contained in sections 210 and 211.

The inheritance taxes were increased, and a tax on gifts imposed, and the excise taxes were either reduced or eliminated. The 2-cent tax on each $100 promissory note was repealed, as was the tax on theater admissions where the price of admission is 50 cents and under. A liberal exemption of $1,000 was allowed on automobiles, and a reduction from 5 per cent to 2½ per cent was made on automobile accessories. The administrative features were improved, in effect embodying in legislation many of the rules and regulations of the Treasury Department.

I really favor a larger reduction of excise taxes.

NECESSITY FOR STRICTEST ECONOMY.

In this connection permit me to repeat that the Congress should closely scrutinize every appropriation, and there should be the strictest economy in every branch of the Government. When money is appropriated it comes from the people and must be collected through taxation, direct and indirect. The people of the several States should, however, be reminded that most of the taxes which they pay, including ad valorem taxes and State income and other State taxes, are for local purposes to maintain their State governments, and for county, municipal, and educational purposes, and in this connection the people should be urged again to use the strictest economy against extravagant or unnecessary expenditures of all kinds. Their tax receipts will indicate for what purposes the taxes are collected.

HISTORY OF INCOME-TAX LEGISLATION.

The question of income-tax legislation as applied to the United States is an interesting one. The first income-tax law was enacted during the Civil War, on August 5, 1861, and amended July 1, 1862, and was repealed in 1872.

The next income-tax bill was enacted August 15, 1894, but was declared unconstitutional by the Supreme Court of the United States in the Pollock case, on rehearing, May 20, 1895 (158 U. S. 601). This led to the proposal and adoption of the Sixteenth Amendment to the Constitution, as follows:

The Congress shall have power to lay and collect taxes on incomes from whatever source derived without apportionment among the several States and without regard to any census or enumeration.

which was declared to have been ratified in a proclamation dated February 25, 1913.

The first income-tax law under this amendment was enacted October 3, 1913, as subdivision 2 of the tariff act. Other income tax acts have been passed—in 1916, 1917, 1919, and 1921. Nearly all of the leading countries of the world at the present time raise a large part of their revenue to sustain their respective governments by an income tax. It is conceded to be the fairest tax that is levied. No tax, direct or indirect, is popular, but conceding that the Government is economically run, that there are no extravagances, and that a certain amount of money is absolutely necessary to pay the expenses of government, the income tax, with certain exemptions to exclude small incomes, and deductions for families and other purposes, is based upon the amount actually earned during any calendar year. It is a tax upon wealth, taking into consideration the ability of the taxpayer to pay. It is a fair and a just tax provided it is equitably distributed and provided, of course, that no more money is collected from the people of the country than is absolutely necessary to pay the expenses of the Government economically administered.

THE BUDGET SYSTEM.

I supported the Budget system and made a speech in its favor in the House on October 25, 1919.

The Congress should not increase expenditures not recommended, except for the most urgent needs of the Government.

President Wilson strongly urged the Budget system, as did Hon. John J. Fitzgerald and Hon. Swager Sherley, both Democratic chairmen of the House Committee on Appropriations, and Congress, during the Wilson administration, passed the bill, but President Wilson was compelled to veto it because an unconstitutional provision was incorporated in it as to the manner of removing the head of the bureau—the Comptroller General—by a joint resolution of Congress. The Department of Justice held that this provision was unconstitutional, and President Wilson, though strongly favoring Budget legislation, felt compelled to veto the bill and urged Congress to repass the bill with the above objection eliminated. The Republican Congress refused to act upon his recommendation and permitted the bill to go over into the succeeding Congress and then enacted it in order to claim the credit for it politically.

CONSTITUTIONAL AMENDMENT.

In order to further aid in reducing appropriations I have introduced a constitutional amendment, which is pending before the Judiciary Committee, authorizing and empowering the President of the United States to veto separate items in an appropriation bill. The constitution of the State of Oklahoma has a similar provision. Many other State constitutions have like provisions. The governors of nearly all the States have indorsed this provision. Congress has heretofore been severely

criticized for including questionable items in appropriation bills for local purposes. This provision would enable the President to veto any separate item in an appropriation bill. The only objection urged against it is the reluctance to add another amendment to the Constitution, but of course that is an objection that could be urged against any amendment to the Constitution.

EXPENDITURES ENORMOUSLY INCREASED.

The expenditures of the Government have of course increased from year to year, and in order that we may have for convenient reference the amount of such increases so that they may be compared year by year I am submitting herewith the expenditures made from the beginning of our Government down to the present time. These expenditures include the civil and miscellaneous expenses, War Department, including rivers and harbors, Panama Canal, Navy Department, Indians, pensions, postal deficiencies, interest on the public debt, as shown by the annual report of the Secretary of the Treasury for the fiscal year ending June 30, 1923, as follows:

Expenditures of the United States Government, by fiscal years, from 1791 to 1923.

TOTAL EXPENDITURES CHARGEABLE AGAINST ORDINARY RECEIPTS.

1791	$4,269,027
1792	5,079,532
1793	4,482,313
1794	6,990,839
1795	7,539,809
1796	5,726,986
1797	6,133,634
1798	7,676,504
1799	9,666,455
1800	10,786,075
1801	9,394,582
1802	7,862,118
1803	7,851,653
1804	8,719,442
1805	10,506,234
1806	9,803,617
1807	8,354,151
1808	9,932,492
1809	10,280,748
1810	8,156,510
1811	8,058,337
1812	20,280,771
1813	31,681,852
1814	34,720,926
1815	32,708,139
1816	30,586,691
1817	21,843,820
1818	19,825,121
1819	21,463,810
1820	18,260,627
1821	15,810,753
1822	15,000,220
1823	14,706,840
1824	20,326,708
1825	15,857,229
1826	17,035,797
1827	16,139,168
1828	16,394,843
1829	15,203,333
1830	15,143,066
1831	15,247,651
1832	17,288,950
1833	23,017,552
1834	18,627,569
1835	17,572,813
1836	30,868,164
1837	37,243,496
1838	33,865,059
1839	26,899,128
1840	24,317,579
1841	26,565,873
1842	25,205,761
1843	11,858,075
1844	22,337,571
1845	22,937,408
1846	27,766,925
1847	57,281,412
1848	45,377,226
1849	45,051,657
1850	39,543,492
1851	47,709,017
1852	44,194,919
1853	48,184,111
1854	58,044,862
1855	59,742,668
1856	69,571,026
1857	67,795,708
1858	74,185,270
1859	69,070,977
1860	63,130,598
1861	66,546,645
1862	474,761,819
1863	714,740,725
1864	865,322,642
1865	1,297,555,224
1866	520,809,417
1867	357,542,675
1868	377,340,285
1869	322,865,278
1870	309,653,561
1871	$292,177,188
1872	277,517,963
1873	290,345,245
1874	302,633,873
1875	274,628,393
1876	265,101,085
1877	241,334,475
1878	236,964,327
1879	266,947,884
1880	267,642,958
1881	260,712,888
1882	257,981,440
1883	265,408,138
1884	244,126,244
1885	260,226,935
1886	242,483,139
1887	267,932,181
1888	267,924,801
1889	299,288,978
1890	318,040,711
1891	365,773,004
1892	345,023,331
1893	383,477,953
1894	367,525,281
1895	356,195,298
1896	352,179,446
1897	365,774,159
1898	443,368,583
1899	605,072,179
1900	520,860,847
1901	524,616,925
1902	485,234,249
1903	517,006,127
1904	583,659,900
1905	567,278,914
1906	570,202,278
1907	579,128,842
1908	659,196,320
1909	693,743,885
1910	693,617,035
1911	691,201,512
1912	689,881,334
1913	724,511,963
1914	735,081,431
1915	760,586,862
1916	741,996,727
1917	2,086,042,104
1918	13,791,907,895
1919	18,952,141,180
1920	6,141,745,240
1921	4,891,106,819
1922	3,618,037,797
1923	3,647,647,849

Let me emphasize that the above expenditures do not include the amounts annually expended for the Postal Service but do include the amounts appropriated for postal deficits.

Contrast the expenditure of $4,269,027 for the first 15 months of Washington's administration with the expenditure of $3,647,647,849 appropriated for the fiscal year ending June 30, 1923.

The revenues received by our Government, from all sources, for the fiscal year ending June 30, 1923, were as follows:

Ordinary receipts.	Fiscal year 1923.	Corresponding period fiscal year 1922.
Customs	$561,928,866.66	$356,443,387.18
Internal revenue:		
Income and profits tax	1,678,607,428.22	2,068,128,192.68
Miscellaneous internal revenue	945,865,332.61	1,145,125,064.11
Miscellaneous receipts:		
Proceeds Government-owned securities—		
Foreign obligations—		
Principal	31,656,907.64	48,673,554.63
Interest	201,332,247.86	26,548,513.03
Railroad securities	99,297,348.01	
All others	46,361,371.60	26,079,128.49
Trust-fund receipts (reappropriated for investment)	26,862,679.69	42,113,437.75
Proceeds sale of surplus property	91,706,388.29	113,605,799.68
Panama Canal tolls, etc	17,271,855.23	11,747,092.47
Receipts from miscellaneous sources credited direct to appropriations	65,911,405.93	
Other miscellaneous	240,333,648.82	270,688,980.92
Total	4,007,135,480.56	4,109,104,150.94

This table shows the amount, and from the sources collected, of all money received by the Federal Government for the above period, but does not include postal receipts of $532,827,925.09. The postal receipts added to the above amounts of revenue collected makes a grand total of $4,641,032,076.03.

THE FOREIGN DEBT.

Our Federal taxes could be further reduced, provided all of our foreign loans were funded and the interest and amortized payments regularly paid. The Treasury Department reported, under date of December 3, 1923, the following advances heretofore made on account of purchase of obligations of foreign governments:

Countries.	Credits established.	Cash advanced.	Other charges against credits.	Balance under established credits.
Belgium	$349,214,467.89	$349,214,467.89		
Cuba	10,000,000.00	10,000,000.00		
Czechoslovakia	67,329,041.10	61,974,041.10		$5,355,000.00
France	2,997,477,800.00	2,997,477,800.00		
Great Britain	4,277,000,000.00	4,277,000,000.00		
Greece	48,236,629.05	15,000,000.00	$33,236,629.05	
Italy	1,648,034,059.90	1,648,034,059.90		
Liberia	26,000.00	26,000.00		
Rumania	25,000,000.00	25,000,000.00		
Russia	187,729,750.00	187,729,750.00		
Serbia	26,780,465.56	26,780,465.56		
Total	9,636,828,204.50	9,598,236,575.45	33,236,629.05	5,355,000.00

Of these amounts the indebtedness of Great Britain has been funded.

There have also been some payments of comparatively small amounts on the above obligations but not sufficient to pay the interest thereon, and hence the amount due, principal and interest, is in excess of the above amounts.

Under date of December 3, 1923, the Treasury Department reports repayments on account of the principal of obligations of foreign governments purchased by the United States have been made as follows:

Belgian Government	$2,003,659.21
Cuban Government	10,000,000.00
French Government	64,212,568.04
British Government	202,181,641.56
Rumanian Government	1,794,180.48
Serbian Government	720,600.16
Italian Government	37,000.74
Total	280,949,650.19

The Republic of Finland recently funded an indebtedness due and owing our Government of approximately $9,000,000, upon the same terms and conditions as the British loan was funded, dividing it into 62 annual payments, the entire amount bearing interest at the rate of 3 per cent, payable semiannually, for the first 10 years, and 3½ per cent per annum thereafter.

Our World War Foreign Debt Commission, created by the act of Congress of February 9, 1922, as amended by the act of February 28, 1923, has made diligent effort to secure the funding of the obligations of the other foreign nations.

I favor the collection of every dollar of the entire foreign indebtedness, both principal and interest, and the remission of none of it. Congress should insist upon this commission urging the funding of this foreign indebtedness at the earliest possible moment, and to that end I favor a resolution expressing the impatience of Congress with the delays encountered by our commission, and if, after a reasonable time, say, June 30, 1925, the indebtedness is not funded, I would favor severing diplomatic relations with any foreign country declining, failing, or refusing to pay either the interest and principal due to our Government or funding the same in an acceptable manner. There can be no excuse given why this indebtedness should not be funded at an early date. The armistice was signed more than five years ago and the people of the United States are justified in expecting the representatives of our Government to see to it that the indebtedness due from foreign governments is funded and the interest and amortized payments be met so that our Government may, with certainty, anticipate the amounts to be paid, and the dates when they are to be paid, and to that extent our people may be relieved of taxes. I do not believe that such a resolution by Congress would embarrass our commission, or any other representative of our Government, but would strengthen them in urging an early funding of this foreign indebtedness.

Mr. ROBSION of Kentucky. Mr. Speaker, the proposal of President Coolidge to reduce Federal taxes touched a responsive chord. Everybody wants the tax burden lifted as much as possible. The Democrats are resorting to every sort of trick and device in their efforts to convince the American people that they will be responsible for the tax reduction. They want to claim the credit. They will not be able to fool the people. There could be no tax reduction at this time but for the wise and economical conduct of the Nation's business by the Republican administration for the last three years.

NATION'S DEBT, $27,000,000,000.

When the Democrats went into power in 1913 the Nation's debt was about $1,000,000,000. Before they went out of power, through waste and extravagance and the World War they had increased the Nation's debt to nearly $27,000,000,000. It was increased 27 times. Since the Republicans got into control of Congress and the executive branch of the Government, this debt has been steadily decreased. It is now less than $22,000,000,000. Federal taxes reached their highest point in all of our history under the Wilson administration. The war closed November 11, 1918, yet these heavy war-time taxes were still in full force when President Harding took office March 4, 1921.

DEMOCRATIC WASTE AND EXTRAVAGANCE.

Much of the increase of our national debt and Federal taxes was due to the wanton waste and reckless extravagance of the last administration. The Wilson administration spent in the fiscal year ended June 30, 1919, over $18,544,879,955, and only four and one-half months of that period was war. They spent in one year nearly five times as much as it cost the Union in four years of Civil War. They spent for the fiscal year ended June 30, 1920, about $7,000,000,000, nearly twice as much as the cost of four years of Civil War. This sum would pay the soldiers' bonus in cash five times. We can readily see why the heavy war taxes were kept in force until the Democrats went out of office.

THE REPUBLICANS REDUCED TAXES.

When President Harding assumed office March 4, 1921, he found all of the high war taxes still in effect. In cooperation with a Republican Congress he inaugurated a policy of the strictest economy. The Budget bill was promptly passed by Congress and signed by the President. This law placed the affairs of our Government upon a business basis and has saved hundreds of millions of dollars annually. The Army was greatly reduced and placed on a peace-time basis, thereby saving other millions of dollars. President Harding called the naval disarmament conference of the leading naval powers of the world and proposed that the competition in naval armaments cease, that no new battleships be built for 10 years, and that many of the battleships now in use be scrapped. The naval powers of the world adopted the President's suggestions, and in this way saved hundreds of millions of dollars to the American taxpayers; thousands of useless offices were abolished and thousands of useless job holders were let out. Because of these economies and wise administration of the Nation's affairs, the Harding administration spent $2,000,000,000 less the first year than had been spent by the Democrats the last year that they were in power. The Republican Congress in 1921 passed a tax-reduction bill which was promptly signed by President Harding. This reduced the tax burden of the American people nearly $1,000,000,000 annually.

REPUBLICAN SURPLUS VERSUS DEMOCRATIC DEFICIT.

Until the very day President Wilson retired from office, we had the highest Federal taxes in the history of this country, and our debt and deficit constantly increasing. Since the Republicans came into power, the national debt, which was nearly $27,000,000,000 is now less than $22,000,000,000. We have greatly reduced the Federal taxes. So effective has been the economy practiced by the Republican administration, we find a surplus in the Treasury of over $300,000,000, and we find that this sum or more will be saved annually to the people. It was this magnificent surplus in the Treasury that led President Coolidge recently to urge Congress to further reduce taxes. We have before us the amazing spectacle of two tax reductions in less than three years, and the national debt reduced billions of dollars. When the Democrats found that there was a surplus, they came forward with much noise and bluster and insisted that they tell the Congress how the taxes should be reduced. The country still remembers that they had eight years of control of this Government, but there was no surplus at any time, and was none when they went out of power. They had increased the taxes to the highest point in all our history. They had increased the Nation's debt from $1,000,000,000 to $27,000,000,000. The Democrats have proved themselves to be experts in tax increases and debt increases and without experience in tax reductions and debt reductions. It was the wise leadership of the Republicans that made a tax reduction possible in 1921, and that makes another tax reduction possible in 1924. The country certainly can trust the Republicans to grant all the reductions possible under the circumstances and to pass a law that is fair and just to all the people.

MELLON, GARNER, AND LONGWORTH PLANS.

There are three plans before the House. The so-called Mellon plan was submitted by Secretary Mellon. The Garner plan is backed by the Democrats. The Longworth plan was submitted as a compromise by the Republican floor leader LONGWORTH. There is no doubt but what Secretary Mellon is one of the very great financial experts of the country, and one of the very greatest Secretaries of the Treasury. Much of the Mellon plan has been agreed to by both Democrats and Republicans. The difference of opinion arises on the income taxes, inheritance taxes, and gift taxes. A majority of the House does not agree with Secretary Mellon on these propositions.

FAVORS THE RICH.

The objection to that part of the Mellon plan dealing with the income taxes, inheritance taxes, and gift taxes was that in the opinion of many it favored too much the people of very great wealth with very large incomes. It proposes to reduce the income taxes of Rockefeller, Ford, Morgan, and others of like wealth 50 per cent, or one-half of what they pay under the present law, while it reduces the taxes of persons of small incomes about 30 per cent. The Mellon plan, after the deduction of exemption, fixes the rate of normal tax at 3 per cent on incomes up to $4,000, and fixes the rate at 6 per cent on normal taxes on all incomes above $4,000. The Longworth plan after deduction of exemptions fixes the normal tax rate at 2 per cent on incomes up to $4,000 and 5 per cent on incomes between $4,000 and $8,000 and 6 per cent on all incomes above $8,000. The tax on incomes up to $4,000 is, under the Longworth plan, only two-thirds of what it is under the Mellon plan. The normal tax on incomes between $4,000 and $8,000 under the Longworth plan is only five-sixths of what it would be under the Mellon plan.

There is little difference between the rates fixed in the Garner plan and in the Longworth plan for the normal tax on moderate incomes. The Longworth plan is a great saving to the man of moderate income over the Mellon plan. To show what a substantial reduction is given to people of moderate incomes between the Longworth plan and the present law, I submit the following: The tax on incomes of $4,000 and less is reduced 62 per cent; on $5,000, 59 per cent; on $6,000, 55 per cent; on $7,000, 53 per cent; on $8,000, 52 per cent; on $9,000, 40 per cent, and above $9,000, 25 per cent. I am referring to the normal taxes. Under the Longworth plan the income taxes of at least nine-tenths of the income-tax payers of Kentucky will be reduced one-half of what they are under the present law. The Mellon plan proposes a great reduction in the surtaxes. A surtax is imposed in addition to the normal tax. Under the present law the surtax goes as high as 50 per cent. This applies to persons of very large incomes. Mr. Mellon proposes to cut the surtax on big incomes to 25 per cent, the Garner plan to 44 per cent, and the Longworth plan to 37½ per cent. Under the Longworth plan the surtax begins with the incomes of $10,001 at 1½ per cent, and continues upward to 37½ per cent on incomes of $200,000 and over. That is to say, a person whose income is over $10,000 and does not exceed $12,000 will pay a normal tax of 6 per cent and surtax of 1½ per cent. A person whose income is $25,000 will pay the normal tax of 6 per cent and a surtax of 8 per cent. Persons whose incomes are $200,000 or more will pay a normal tax of 6 per cent and a surtax of 37½ per cent.

The Government must always have sufficient revenue to operate the Government. The Longworth plan will produce sufficient revenue for this purpose, but it is shown that the Garner plan would create a deficit in the Treasury of more than $300,000,000 annually. The Longworth plan will give a much greater tax reduction to something like 4,000,000 income-tax payers than the Mellon plan would give to them.

While the Longworth plan would give less reduction to about 10,000 of the very large income-tax payers than the Mellon plan would give to them. We think that the Longworth plan is eminently fair, both to the small taxpayer and to the large taxpayer. It seems that the Republicans can get together on the Longworth plan, but not on the Mellon plan. I favor the Longworth plan.

INHERITANCE TAX.

A matter about which there is a sharp difference of opinion is the so-called estate tax or inheritance tax. The Mellon plan fixes a rate of 1 per cent of the net estate not in excess of $50,000 and range upward to 25 per cent on the net estate that exceed $10,000,000. We have a great war debt and it will soon cost this Government $1,000,000,000 annually to take care of the soldiers and sailors and their dependents. Many of the very large fortunes were created by the World War. This war debt must be paid and these defenders must be taken care of. We feel that instead of turning over all of these great estates to the heirs a proper share should be returned to the Government to meet our war debt and to take care of our defenders. Instead of a maximum rate of 25 per cent, I favor—and a majority of the House, I am sure, favors—the amendment offered by Mr. RAMSEYER. This amendment fixes the maximum of rate on these great estates at 40 per cent. If any man should leave a net estate of $100,000,000, under this amendment $40,000,000 would go to the Government as taxes.

It is a notorious fact that many of the people of great wealth of this country are dodging their just proportion of the tax burden. It is anticipated that if this tax should become a law, that many persons of great wealth would give away a large part of their estates in their lifetime, and in that way their estates would avoid the payment of this inheritance tax.

To avoid this, Chairman GREEN, of the Ways and Means Committee, has offered an amendment to tax all gifts of $50,000 or more to relatives at the same rate fixed for inheritance taxes, so that people of great wealth, if they should give away their estate, will be required to contribute a substantial sum to the Government. It is said that the inheritance tax will provide sufficient money to take care of the soldiers' bonus. It is unnecessary to say that the persons of great wealth have vigorously fought the high surtaxes, the inheritance tax, and the gift tax.

TWENTY-FIVE PER CENT REDUCTION NOW.

There is now more than $300,000,000 surplus in the Treasury. The taxes for 1923 will soon be due and payable. This bill amends the Mellon plan by granting a 25 per cent refund on the taxes payable this year. Most taxpayers will have paid at least a part of their Federal taxes before this bill can become a law. In such event this 25 per cent refund will be allowed on the subsequent payment or on the balance due this year. This measure, likewise, repeals many of the so-called nuisance taxes and excise taxes. This will become effective 30 days on and after the passage of this bill. This measure gives substantial relief to all classes of taxpayers in the Nation and gives most relief to those least able to pay, and gives the least relief to those most able to carry the burden.

Mr. CLANCY. Mr. Speaker, I wish to make more clear my recent remarks that the automobile industry and its customers have been and are the prey of predatory interests working through Government agencies. The main purpose in doing this is to further my campaign, conducted through the past few months with great intensity, to educate the motorist as to the impositions placed upon him and to arouse still further automobile organizations and friendly associations to oppose such gouging.

For many years men who know what they want and who wish to increase still further their enormous wealth, who get more and more selfish, avaricious, and unscrupulous as they get richer, have been sticking their fingers, their agents, and their agencies, into Government to plunder unsuspecting American citizens.

These men have strangle holds upon the basic necessities of life, such as oil, metals, cotton and wool, foods, transportation, etc.

One of the passing strange facts of big business is that a comparatively new industry, one of the grandest contributions to the happiness and the betterment of mankind and now one of the prime necessities of life, has never tried to manipulate Government to its own selfish aggrandizement. Stranger still, it has not intelligently and effectively tried to protect itself from aggressive combinations which "picked" on it and aimed to rob it blind.

That crooked big business has been manipulating government on a gigantic scale to the detriment of the common good is now patent to the American people. The slimy trail of oil, as revealed in the United States Senate investigations in the most stupendous scandals of American history, has opened the minds of the people to a condition which has been chronic for some time.

ASSASSINS GIVE PROTECTION.

A friend of President Garfield told me recently that Garfield had determined to make a thoroughgoing exposé of crooked business using Government to defraud the people. His experience in Ohio and in Washington had given him the facts. But an assassins' bullet, the furious rage of a disappointed office seeker, struck him down in the Pennsylvania Railroad depot in Washington before he could open the eyes of the people.

It is generally known that President McKinley, himself the framer of a tariff law when in Congress, had intended to attack predatory wealth using Government when he, too, was struck down by an assassin's bullet in Buffalo, where he had gone to make a keynote speech on the relations of business and government.

But before Presidents Roosevelt and Wilson were stricken with ruptured blood vessels in the brains, which could not withstand the terrific strain of their labors for the people, labors mainly directed against crooked big business and crooked national and international interests, they carried their message to the people and put crooked big business on the defensive. But the "malefactors of great wealth" came back strong in the present administration.

Senator DAVID I. WALSH, of Massachusetts, said not many days ago in the Senate that the important thing about the Teapot Dome scandal is the revelation "in successful operation"

of that heretofore intangible thing called by Theodore Roosevelt "invisible government" and by Woodrow Wilson the "invisible empire."

He describes in the Senate, in more incisive and luminous language than I could, this "thing," and I quote from him:

That it existed intelligent and progressive people have long affirmed; that it succeeds in shaping legislation, in directing political policies, and in securing appointments from administrative officials has been freely asserted.

Those who heretofore were reluctant to believe can no longer challenge or deny its existence.

Invisible government, the curse of American politics for nearly half a century, has baffled the progress of our free institutions; it has repeatedly nullified the solemn verdict of the people recorded at the ballot box. Surreptitiously it purchases the talents of men of influence in all political parties to espouse and promote its greedy and selfish ends. It supports corrupt, not party, politics.

If it can not control, it purchases or seeks to destroy the press that dares to oppose it. It invades even the pulpit.

It knows neither Democrat nor Republican. It writes into political platforms meaningless phrases to cajole the voters.

It knows only one party—the party in power. Its objective is to win the approval and sanction of those in authority. It discards its victims when they are out of power with Neronian mercilessness.

The backers of this paralyzing influence in government, disclosed in the present scandal, have been bolder and more brazen since wealth formed itself into great organizations of unchecked greed and selfishness to control and exploit the natural resources of the Nation and gouge the unorganized masses of this country.

These concession and privilege seekers yield to the popular government only when they must to stem defeat. They have successfully opposed humane and progressive legislation for years and have granted the people their rights only when the people have overthrown them.

Mr. President, the present situation demands patriotic, nonpartisan action. These disclosures are in vain if they do not stir us to a realization of the absolute necessity, if we are to preserve democratic institutions and maintain the confidence of the people in the Republic, to rid our political parties and this Government of these sinister influences.

How strange that the automotive industry, regarded by many as most typical in its origin and development of American genius in business, should not have properly protected itself against the "invisible government"!

The industry which taught the world high speed, high wages, quantity production, and revolutionized not only business but the everyday life of nearly every human being in the United States at least is caught napping by other businesses at the oldest game in the world, the use of government to despoil.

If by my campaign of the past few months, a gruelling contest which brought many bruises and some scars, I could awaken the automobile world of America to get out and be men and defend themselves, to use their strength and their brains, not for spoliation but for loyal defense of their customers, I would not deem my efforts to be in vain.

These customers who have helped to build up the most stupendous fortunes the world has ever known deserve that protection. That their cause is just was recognized by the House when it voted unanimously, at a time when the Budget was in danger, to strike $24,000,000 in taxes off the motorists of the country. But that was only after Ways and Means had given the motorists the marble heart and the appeal had been carried to the country with tens of thousands of telegrams and letters and bulletins.

That was only after "pitiless publicity" had been remorselessly administered, only after the spigot had been turned on and the bung yanked out. It certainly was glorious to see some of my colleagues run to cover and scores of them rush for the auto bandwagon and make a flying leap for the upper deck.

On Tuesday, February 26, that red-letter day for the 15,000,000 motorists of the country, when the fever for auto-tax reduction, precipitated the wildest mêlée seen on the floor of the House in many a day and when fist fights were threatened, I left the floor as the session broke up in disorder to meet representatives of automotive organizations in the corridor.

TURNING ON THE PUBLICITY.

They were white faced and alarmed.

"Has our cause been hurt?" they asked me.

"Not at all; you are just getting to the country with a vengeance," I replied. "That fracas will break on the front page of every live newspaper in the country. The press associations always carry a fist fight on the House floor near or 100 per cent. You could not get your cause on the front pages of newspapers for a million dollars. Now you get position for nothing and the motorist will be awakened to the fact that a battle is being waged for him. You spent hundreds of dollars for telegrams to your people. Here is a gift of million-dollar publicity gratis."

That was true. The most alert and brainiest newspaper in the country, so far as news gathering is concerned, carried the story for three and a half columns and flew the pennant on the front page. That was the New York Times. Thousands of other papers carried the story. Then followed the aftermath of editorials.

Yet I have been accused of endangering the automobile cause by starting that row on the floor of the House. I do aver and affirm that I was not wholly responsible for that fracas, and I fed the raw meat with no conscious intention of starting a mêlée whose outcome would be problematical.

To illustrate the point that the automotive industry must protect itself against bold and unscrupulous aggressors, I now cite the fight of the American Automobile Association two years ago in Congress against oil. This, of course, was before the methods of oil were known to the country and before Teapot Dome was on every lip.

The Dome revelations show that predatory oil was working particularly hard two years ago—all the various combinations of oil were working—working on the public and on one another, for oil, like little fishes and big fishes of the deep, is predacious and cannabilistic.

Oil was going so powerful in Ways and Means that it smashed down the automobile organizations. Flushed with victory and going strong, it came onto the floor of the House, eager to administer the knock-out to a groggy foe and collect the purse—winner take all.

It took the President of the United States, Mr. Harding, to turn the tide of battle. It took a violent blow at the constitutional independence of the legislative and executive functions of the Federal Government to stop oil. But President Harding did not hesitate to write a strong letter, in which he said that he "should be more than disappointed if Congress decided to levy a tariff on imported oil."

He put his interference on patriotic grounds "and the foreign policy to which we are already committed."

In view of Teapot Dome revelations as to how far oil had gotten into the President's Cabinet, his attitude in the crisis of two years is pertinent and important.

In this crisis the old guard of Ways and Means wanted to levy a tariff of 35 cents a barrel on oil and even threatened $1.50 per barrel. This meant a tax of about $140,000,000 on the motorists of the country. It probably meant raising the price of gasoline alone from 3 to 7 cents per gallon.

I sincerely hope one of the fights of the near future of the automotive organizations will be against the present high prices of oil and gasoline. That is a duty. It should be a pleasure.

Oil is persistent. Beaten in the House, through an appeal to the country and the bludgeon of the President of the United States, it took the fight nevertheless to the Senate Finance Committee and to the floor of the Senate. Oil knows not how to surrender and always comes back strong. Fortunately it was beaten both in Senate committee and on Senate floor. But it is still gouging the automotive industry.

This contest of two years ago is so illuminating that I give more of the facts as set forth in the statements of the American Automobile Association, and I give a fuller excerpt of President Harding's letter of July 13, 1921, to Chairman Fordney on proposed tariff on crude and fuel oil.

The battle is also waged against the proposed asphalt tariff as a hindrance to the good-roads movement which the automotive interests have built up and fostered.

The following appeal was sent to the country by the American Automobile Association on July 9, 1921, through the club secretaries:

The Committee on Ways and Means of the House of Representatives recently included in the tariff bill reported to the House a schedule on crude oil amounting to 35 cents per barrel. This amounts to about 100 per cent ad valorem in addition to the export duty of 113 per cent now imposed by the Mexican Government, the chief source of petroleum imported into this country.

Our consumption of petroleum products exceeds our domestic production by about 66,000,000 barrels annually. Our imports of petroleum are valued at about $90,000,000 annually, yet our exports of refined petroleum products amount to about $549,000,000 annually.

If this tariff prevails, it will enable and encourage foreign countries to monopolize foreign supplies of petroleum. At present we are supplying the world with two-thirds of its petroleum products notwithstanding the fact that we have only one-sixth of the world's resources.

Petroleum is one of our greatest natural resources. It is both definitely limited and rapidly diminishing. A tariff on oil therefore places a premium on the rapid depletion of this great natural resource.

The American people are the largest users of petroleum in the world. It is estimated that 83 per cent of the motor vehicles of the entire earth are found in the United States. Yet less than 17 per cent of the world's resources of petroleum is situated within the United States.

Sixty per cent of all the asphaltic materials used in the United States for road building and roofing purposes are imported from Mexico. If this tariff on petroleum finally prevails, it would therefore seriously interfere with the present road-building program of the country.

In view of these facts the American Automobile Association, in annual convention assembled in Washington, May 16 and 17, passed a resolution of protest against any provisions being included in the tariff measure on petroleum. The executive committee of the A. A. A. on Wednesday, July 6, voted in opposition to the 35-cent tariff on crude oil, and authorized notices to be sent to club secretaries urging them to ask their Representatives in Congress to oppose this tariff.

A vote will be taken on this schedule about the 21st of this month. You and the members of your club are therefore urgently requested to communicate by letter or by wire, if necessary, with your Representatives in the House protesting against this schedule.

We will keep you in touch with what happens in the House and later on it may be desirable to communicate with your Senators on this subject when the tariff bill reaches the Senate. Please supply us with copies of any replies you may receive from Members of Congress on this subject.

AMERICAN AUTOMOBILE ASSOCIATION.

Then follows the excerpt from the letter of President Harding to Chairman Fordney, of Ways and Means:

I can not refrain from expressing the hope that your committee will take note of the foreign policy to which we are already committed, under which the Government is doing every consistent thing to encourage the participation of American citizens in the development of oil resources in many foreign lands.

This course has been inspired by the growing concern of our country over the supply of crude oil to which we may turn for our future needs, not alone for our domestic commerce but in meeting the needs of our Navy and our merchant marine.

To levy a protective tariff on crude petroleum now would be at variance with all that has been done to safeguard our future interests. I can readily recognize the claim of some oil producers for a protective tariff on their product, but such a course of temporary relief would be so thoroughly out of harmony with the larger policy which I have had in mind that I should be more than disappointed if Congress decided to levy a tariff on imported oil.

The oil industry is so important to our country, and our future is so utterly dependent upon an abundance of resources rather than temporary profit to a few producers who feel the pinch of Mexican competition. I thank you very sincerely for your considerate attitude in the matter. (Printed in CONGRESSIONAL RECORD, July 13, 1921.)

The contest is carried to the Senate and the A. A. A. sent the following letter to all Senators. I give it because it presents some new facts and appeals:

MY DEAR SENATOR: In protesting against the tariff on petroleum we represent the interests and the wishes of more than 10,000,000 owners of automobiles. We likewise represent the interests of the half million owners of tractors, and the interests of 2,500,000 owners of stationary engines are also involved, as well as those of 46,000,000 consumers of artificial gas. The American merchant marine's desperate struggle for existence would be rendered hopeless by the imposition of this duty. Such a duty would scuttle our ships. It would devour the proposed subsidy. "Don't give up the ship."

Last, but not least, we would protest on behalf of those who are promoting and providing for the construction and maintenance of improved highways. Hundreds of millions of dollars are annually expended by community, county, State, and Nation on our system of public highways. The tariff on oil would increase the cost. It would be a tariff on travel and transportation.

In protesting the duty on oil we stand on the traditional policy of our Government. No Congress, no party has ever imposed a tariff on petroleum.

In protesting this duty we stand on the announced policy of the national administration. When this duty was under discussion in the House, the President addressed a letter to Chairman Fordney, in which he expressed the hope that a tariff would not be imposed on oil, and declared that "to levy a protective tariff on crude petroleum now would be at variance with all that has been done to safeguard our future interests." In accord with this enlightened policy, the House defeated the proposed tariff by a vote of 2 to 1. This vote was taken July 21, last year. Since that date the price of oil in the United States has increased 100 per cent. At times it has been considerably more than 100 per cent. Since that vote the price of the leading oil stocks has increased from 50 to 100 per cent. Certain stocks at certain times have shown an advance of 150 per cent. These prices have increased notwithstanding an enormous increase in domestic production.

The Senate Finance Committee, pursuing this enlightened policy, defeated the proposed duty on petroleum by a vote that was almost unanimous. It would seem to be doubly undesirable to depart from this policy at the present juncture. The coal situation would seem to be critical enough without laying a tariff on the only other available fuel.

It is earnestly to be hoped that the Senate, following the example of the Finance Committee, the House of Representatives, and the President, will oppose the imposition of a tariff on crude and fuel oils. It is earnestly to be hoped that the Senate will not disregard the wishes and sacrifice the interests of so many millions of American citizens when that sacrifice is entirely unnecessary, as evidenced by the enhanced price of oil stocks and the enhanced price of oil itself. Indeed, the oil producers of California adopted resolutions protesting against the oil tariff, and a referendum vote among the producers of the mid-continent field stood 90 for the tariff and 47 against the tariff.

It would be passing strange if the Senate of the United States should vote to increase the price of petroleum and its products while a committee of the Senate is investigating the prevailing high prices of petroleum and its product.

Most respectfully submitted.

DAI H. LEWIS,
Acting Executive Chairman.

Mr. LOZIER. Mr. Speaker, I desire to register my opposition to Title IX of the pending revenue bill, which seeks to create a board of tax appeals of not less than 7 nor more than 28 men, fixing their term of office at 10 years and carrying a salary to each of $10,000 per year. I favor striking this provision from the bill entirely, and if the House refuses to do this, I favor an amendment reducing the salary of the members of this board to not exceeding $7,500 per annum. I also favor an amendment providing that the appointment of the members of this board of tax appeals be submitted to and approved by the Senate like all other presidential appointments. Under our scheme of government, nominations for Cabinet positions, Federal judges, postmasters, appointments to the Diplomatic Service, and the principal appointments in practically every branch of our Government must be submitted by the President to and approved by the Senate. I can see no good reason why the appointment of the members of this board of tax appeals should not be submitted to and approved by the Senate as other appointments. Certainly the people of this Nation are interested in who shall serve on this board.

I am confident that the Senate will not act arbitrarily or refuse to confirm an appointment unless it appears from an investigation that the appointee is incapable or unworthy. This board of tax appeals, if created, will pass in review on questions involving hundreds of millions of dollars annually, and the appointments should not be left exclusively to the judgment of the President or Secretary of the Treasury.

We are now passing through a period of economic distress in the United States. In many occupations the earnings are too meager to insure even a moderate profit. This is particularly true among the small tradesmen and those engaged in moderate business activities. Among the agricultural classes there is a nation-wide distress, the inevitable result of the inability of the farmer to sell his commodities at a price that will yield even the cost of production. The national debt is a tremendous burden, amounting now to approximately $22,000,000,000, while the indebtedness of the 48 States and political subdivisions thereof is in excess of $10,000,000,000, making the total public debt over $32,000,000,000. To meet the interest on this debt a tremendous tax burden is inevitable.

The last 30 years have witnessed a tremendous increase in the expenses of government, State and municipal. The Federal Government and the 48 State governments have been in a mad race to see which could create the largest number of new offices, bureaus, and commissions. Each year the number of State and Federal officeholders is enlarged and the salaries increased, until the tax burdens have become almost unbearable.

Prior to the war the combined cost of all our State and Federal Governments was only about $2,000,000,000 annually. Now it amounts to about $7,000,000,000 per annum, or about three and one-half times the pre-war cost of government. This phenomenal increase can be met in but one way, and that is by taxation. I plead for more economy in the management of our public affairs.

It seems to me that the time has come for our Federal Government to inaugurate a policy of retrenchment, reform, and economy in public affairs. The Government, State and National, have no money except what they collect in the form of

taxes from the people. If the Government makes extravagant appropriations, pays excessive salaries, and maintains an army of unnecessary employees, then there will be an ever-increasing burden of taxation. It is time to stop, look, and listen before we create this new bureau, which will rapidly expand into a great army of clerks, auditors, inspectors, stenographers, and miscellaneous employees, meaning a tremendous additional tax burden on the American people.

We can never reduce the cost of government if we continue to create new offices and endow these offices with princely salaries.

There is, in my opinion, no worth-while demand for the creation of this board. The work these 28 men will do is now being done by employees in the Treasury Department whose salaries are around $5,000 per annum, none in excess of $7,500. If this provision stays in the bill these 28 offices will probably be filled by the men now performing this same work in the Treasury Department at salaries ranging from $5,000 to $7,500 per annum. In other words, the Government will get the same service it is getting now, but will pay each member of the board $10,000 annually instead of the much smaller salaries now being paid for the same service. The members of this board will hold office for a term of 10 years, during which each will draw a salary of $10,000 per annum, aggregating $100,000 for the 10-year term for each member. This means that the salaries of these 28 men will be $280,000 annually. In addition they are allowed by this bill $10 per day for expenses when their duties call them from their designated stations.

If this board is created, in a very few years it will have surrounded itself with an army of several thousand employees and subordinates. If Congress is determined to create this board of appeals, then the salaries of the members should be reduced to not exceeding $7,500 per annum. This reduction would mean a saving of $70,000 annually, or $700,000 in 10 years. I believe this can be done without impairing the efficiency of the board.

There is but one way to reduce tax burdens, and that way is to begin now to reduce the expenses of the Government and rigidly follow this rule in all matters relating to public expenditures except in the few cases where efficiency in the public service justifies and demands an increase. We accomplish nothing and get nowhere if while we talk economy we continue to create new offices and increase salaries of men who sit in swivel chairs in Washington and allot themselves more than their just proportion of the funds appropriated to carry on our Government. Capable men are not so scarce that we have to pay a salary of $10,000 per year to get efficient men to perform this service.

Let us begin to economize here and now and not put off until to-morrow what should be done to-day. If we once fix these salaries at $10,000 per annum, it is not probable that they will ever be reduced. So I favor reducing them now.

Mr. ROGERS of New Hampshire. Mr. Speaker, my attention was recently called to an unjust discrimination in the assessment of a tax on college fraternities by virtue of section 801 of the revenue act of 1921. This section is incorporated in section 501 of the revenue act of 1924 and reads as follows:

SEC. 501. On and after the date this title takes effect there shall be levied, assessed, collected, and paid, in lieu of the taxes imposed by section 801 of the revenue act of 1921, a tax equivalent to 10 per cent of any amount paid on or after such date, for any period after such date, (a) as dues or membership fees (where the dues or fees of an active resident annual member are in excess of $10 per year) to any social, athletic, or sporting club or organization; or (b) as initiation fees to such a club or organization, if such fees amount to more than $10, or if the dues or membership fees (not including initiation fees) of an active resident annual member are in excess of $10 per year, such taxes to be paid by the person paying such dues or fees: *Provided*, That there shall be exempted from the provisions of this section all amounts paid as dues or fees to a fraternal society, order, or association operating under the lodge system. In the case of life memberships, a life member shall pay annually, at the time for the payment of dues by active resident annual members, a tax equivalent to the tax upon the amount paid by such a member, but shall pay no tax upon the amount paid for life membership.

By virtue of the section just quoted a tax of 10 per cent on dues and initiation fees is assessed against members of any "social, athletic, or sporting club or organization." Under the proviso to this same section, however, the dues and fees paid to any fraternal society, orders, or associations are exempt from taxation when such societies are operating under the lodge system. By virtue of this proviso no taxes are assessed against such organizations as the Masons, Odd Fellows, Knights of Columbus, and so forth. While these organizations are exempt from taxation, no specific provision is found in the law exempting college fraternities from taxation under this section.

The Treasury Department, through the Commissioner of Internal Revenue, has ruled that a society or fraternity is "operating under the lodge system" when it is "carrying on its activities under a form of organization that comprises local branches chartered by a parent organization and largely self-governing, called lodges, chapters, or the like." In accordance with this ruling of the department, it is held that national fraternities with chapters in the different colleges having a parent organization from which these various chapters derive their charters are exempt from the taxes imposed under section 801. On the other hand, the Treasury Department has ruled that any fraternity existing only in a local college as an independent organization not deriving its charter from a parent organization does not fall within the exemption because such local society does not operate "under the lodge system" within the regulations above referred to.

The injustice of the existing situation is at once apparent. In nearly all American colleges the so-called national and local fraternities exist side by side, having the same quality of membership, organized for exactly the same purposes, and carrying on their work by the same methods. In short, they are similar in every respect, with the single exception that for some reason or other, because of age, prestige, or local conditions, the local chapters have never seen fit to become affiliated with national organizations. Under such circumstances it is obvious that to tax the locals and exempt the nationals is both unjust and inequitable. Moreover, it is well known that members of fraternal organizations, such as the Masons, are usually in a position to work and earn money with which to pay their dues and the taxes thereon. This is not true of members of college fraternities, who, if they are able to work at all, usually find it necessary to use all the money they can earn in order to pay their way through college.

In order to remedy the obvious injustice existing under the present law I offered an amendment to section 501 of the revenue act of 1924 exempting college fraternities from the payment of taxes assessed under this section. With this amendment added, the first sentence of the proviso will read as follows:

Provided, That there shall be exempted from the provisions of this section all amounts paid as dues or fees to a fraternal society, order, or association operating under the lodge system or to any local fraternal organization among the students of a college or university.

The House having adopted the amendment, if agreed to by the Senate it will do away with the present unjust discrimination against certain college fraternities and place them all in the same class with other fraternal organizations already exempt from taxation under the law.

I now desire to discuss the general income-tax provisions of the 1924 revenue act. Both on the floor of this House and in the public press there has been much comment relative to the comparative merits of the so-called Mellon and Garner plans for a general reduction of taxes. I desire at this time to discuss the situation briefly and to point out my reasons for supporting the Garner plan. Since the first session of Congress became organized I have given much time and thought to the proposed legislation for a reduction of taxes. I have made a careful study of the Mellon plan printed in a pamphlet containing 344 pages. I have also considered thoroughly the plan voiced by the minority of the Ways and Means Committee, known as the Garner plan, in order to determine which method would best promote a fair and equitable revision of taxes, at the same time accomplishing those substantial reductions in rates all along the line to which the country is justly entitled.

In his first message to Congress President Coolidge correctly and truly said:

The taxes of the Nation must be reduced now as much as prudence will permit, and expenditures must be reduced accordingly. They bear most heavily upon the poor. They diminish industry and commerce. They make agriculture unprofitable. They increase the rates on transportation. They are a charge on every necessary of life.

With these most significant words of the President in mind, let us examine the proposed Mellon plan and compare it with the so-called Garner plan to determine which method should be adopted by Congress in an effort to reduce taxation on a reasonable, just, and equitable basis.

Mr. GARNER'S plan proposes to fix normal income-tax exemptions at $2,000 for single persons, instead of $1,000, as proposed by Mr. Mellon, and $3,000 for married persons or heads of families, instead of the present $2,500, as Mr. Mellon proposes. The Garner plan would also fix the normal income tax at 2

per cent on amounts of $5,000 and less, instead of 3 per cent on amounts less than $4,000, as proposed by Mr. Mellon, and instead of 4 per cent under the present law. Mr. GARNER would further fix the rate at 4 per cent from $5,000 to $8,000, instead of 6 per cent, proposed by Mr. Mellon, on incomes above $4,000 and instead of the 8 per cent under the present law.

The Garner plan will also fix the rate at 6 per cent on all incomes exceeding $8,000, instead of 8 per cent as under the present law. It will cause the surtax to commence with 1 per cent on incomes from $12,000 to $14,000, instead of $10,000 to $12,000 as Mr. Mellon proposes, and instead of $6,000 to $8,000, as under the present law. These surtax rates will then gradually increase to 44 per cent on incomes exceeding $92,000, instead of the 50 per cent under the present law and the 25 per cent on incomes exceeding $100,000 proposed by Mr. Mellon.

From an analysis of the two proposed plans we are at once confronted with the amazing and significant fact that the Garner plan, to a much greater extent than the Mellon plan, affords immediate relief by a reduction in taxes to 6,641,262 income-tax payers throughout the country, while the Mellon plan would confer a greater reduction than Mr. GARNER'S on only 9,433 income-tax payers. For instance, Mr. Mellon would exempt only $1,000 from the income of a single man, while Mr. GARNER'S plan doubles the amount of this exemption, making it $2,000. On the other hand, Mr. Mellon, universally reputed to have one of the largest personal incomes in America, proposes to reduce the taxes of the man with a million-dollar income more than a quarter of a million dollars per year.

In the light of a fair comparison and with the President's own words in mind, which plan should we adopt as better designed to promote a fair and equitable basis for a reduction of taxes? "They bear most heavily upon the poor."

An even more striking illustration of the actual working out of the two plans is shown by a concrete application of each to the situation existing in my own State of New Hampshire. According to the latest available statistics of the Treasury Department, 32,410 persons in New Hampshire paid Federal taxes for the year 1921. Of this number, 32,386 will receive a greater reduction in their taxes under the Garner plan than under the Mellon plan, while only 24 taxpayers in my whole State would receive a larger reduction in taxes under the Mellon plan than under the Garner plan. Assuming that these taxpayers are equally distributed in each congressional district, it follows that in the first congressional district only 12 taxpayers would receive greater reductions under the Mellon plan than under the Garner plan, while 16,193 taxpayers of the first district would have their taxes more substantially reduced under the Garner plan.

I am indeed most heartily in favor of a reduction in taxes, such a reduction as will stimulate business and industry. At the same time, it is necessary to bear in mind that relief from the burden of taxes must be just and equitable; that taxes should always be borne by those best able to carry the burden; that "they are a charge on every necessary of life" and that always "they bear most heavily upon the poor."

A vast amount of propaganda has been disseminated throughout the Nation to induce Congress to adopt the Mellon plan without regard to its effect upon the great majority who pay Federal income taxes. When traced to its original source we find that most of such propaganda has come from those who hope to receive immediate benefit from the Mellon plan through the reduction of their surtaxes, rather than those who are honestly interested in an attempt to secure an equitable distribution of taxes among citizens of all classes.

It is our duty as Members of this great legislative body to disregard organized propaganda and to seek the truth in the light of the facts. And it is my sincere belief that a thorough study of all the facts will convince any reasonable man that the adoption of the Garner plan will afford more just and equitable taxes throughout the Nation. It will lower the taxes of the rich and poor alike. It will provide the necessary revenue to run the Government, and it will ultimately place the taxes of the Nation upon the shoulders of those best able to bear the burden.

I have listened with interest to the advocates of the Mellon plan. Their arguments, instead of sustaining their contentions, furnish further evidence that such a plan will afford great relief to a certain special class of taxpayers, namely, those whose incomes are so large that they pay high surtaxes, while scarcely any relief is given the taxpayer in moderate circumstances with a small income.

In conclusion let me say that, regardless of what others may do, I am convinced that it is my duty to support the Garner plan, which, as I have said, will relieve the poor as well as the rich and which, let me repeat, in my own State of New Hampshire will give a greater degree of relief to 32,386 out of 32,410 taxpayers than would the Mellon plan.

Mr. SCHNEIDER. Mr. Speaker, although much has already been said on both sides of this important question, I feel that it behooves me also to voice my sentiments against any plan that ignores the fundamental basis of just taxation, namely, that the share of one's tax burden should be levied according to his ability to pay. In other words, taxes should bear heaviest upon those best able to pay.

This is a well-recognized and sound principle of taxation. Any plan that fails to take cognizance of this must and should meet defeat.

Very closely allied with this principle is the idea that a plan in order to be feasible must give us reasonable assurance that it will accomplish that which it is designed to do. I suppose that in proposing any kind of legislation there must be some urgent need for it, some present wrong to be remedied, or threatening evil to be averted.

That there is a great need for tax legislation I believe is the unanimous opinion of this body. But what is it that we are trying to remedy by this legislation? How will the Mellon plan, which I believe entirely ignores the principle that the share of one's tax burden should be levied according to his ability to pay, a principle that is the very essence of just taxation, remedy these evils? These are questions that we must constantly ask ourselves in considering the plan before us.

President Coolidge, in his address before Congress on December 6, in reviewing the economic situation of this country, had this to say:

> Looked at as a whole, the Nation is in the enjoyment of remarkable prosperity. Industry and commerce are thriving. For the most part agriculture is successful, 11 staples having risen in value from about $5,300,000,000 two years ago to about $7,000,000,000 for the current year.
>
> But range cattle are still low in price, and some sections of the wheat area, notably Minnesota, North Dakota, and on west, have many cases of actual distress. With his products not selling on a parity with the products of industry, every sound remedy that can be devised should be applied for the relief of the farmer.

The President has thus in his message frankly admitted this fact to exist at the present time, namely, a situation where, while industry and commerce are thriving, the farmers in the West are in distress. Yes; the President might well have included the average wage worker who, too, because of the still existing high cost of living and moderate wages finds himself in a no more prosperous situation than the farmer.

A very wholesome situation, is it not? A society where the masses are growing poorer, burdened with high cost of living and a staggering war debt thrust upon them while a privileged few, owning and controlling the industry and commerce, which in the words of our President are now thriving, are growing richer day by day. This appalling situation, partly admitted and, if you please, mostly omitted, by the President in his message; yet what does he and his devoted friends in Congress propose to do? Their answer is, "Pass the Mellon tax bill."

Gentlemen, in seeking to bring about a change in our tax laws it is fair, then, to assume that the sole purpose is to alleviate the burdens of those who are now hardest hit. I can see no other honest motive that would warrant the consideration of the tax question at this time. Will the Mellon tax bill meet this situation? Will it be of any appreciable aid to the farmers, wage workers, and general public?

I do not pretend to be an expert in taxation, nor will I burden you with any detailed analysis of this plan. My friend and colleague [Mr. FREAR] has already given you a careful explanation of the results of the Mellon plan. It is not very difficult, gentlemen, to see how this plan will only benefit those with large incomes at the expense of the many others.

The workings of this plan are very graphically and ably shown in an editorial by Mr. Werner N. Schomaker, editor of The Union Labor, published at Marinette, Wis., a very worthy and progressive organ that speaks for the people in my district. I am going to read this article in order that you may hear directly from my people:

> It will be noted that the Literary Digest, in line with the big-interests press of the country, omits any reference to the big criticism of the Mellon measure—that it is a bill framed purely in the interest of the rich man. The press, almost as a unit, has conspired to keep from the people the great benefits that would accrue to the country's millionaires, including Mr. Mellon, in the passage of the bill.

Have the newspapers told the country that a man with an income of $5,000,000 will save $1,500,000 under the Mellon bill; that a man with an income of $500,000 will save $116,000? Here is a table showing the amounts which persons of varying incomes will save under the Mellon bill:

Income of $5,000,000, a saving of $1,500,000.

Incomes of $1,000,000	$251,784.00
Income of $500,000	116,784.00
Income of $250,000	49,284.00
Income of $100,000	10,284.00
Income of $50,000	1,944.00
Income of $25,000	1,107.00
Income of $20,000	747.00
Income of $15,000	469.50
Income of $10,000	222.00
Income of $5,000	29.75
Income of $4,000	12.75

These are the amounts they would save under the Mellon plan. Now let us analyze this further and see how the Mellon bill works to the advantage of the persons with the huge incomes:

A person with $1,000,000 income saves under the Mellon plan $251,784.

Fifty heads of families, each having an income of $20,000, total $1,000,000, save under the Mellon plan $35,350.

One hundred heads of families, each having an income of $10,000, total $1,000,000, save under the Mellon plan $22,200.

Two hundred heads of families, each having an income of $5,000, total $1,000,000, save under the Mellon plan $5,950.

Four hundred heads of families, each having an income of $2,500, total $1,000,000, save under the Mellon plan nothing.

The propagandists of the Mellon tax plan continually refer to percentage of reduction taxpayers will receive. It is not a question of percentages, but a question of dollars and cents.

Evidently the Mellon plan needs as much bolstering as the League of Nations did under the Bok referendum.

This is practically the unanimous sentiment of the people whom I have the honor to represent, and that is the way they have the Mellon tax plan sized up.

Yet the advocates of this plan would hold this out as a panacea for the present ills. Their eyes are shut to the real situation or they refuse to see. They turn a deaf ear to the cries for help of the distressed agricultural classes of our country. They only speechify about helping the farmers. It is now three months that Congress has been in session, but nothing has been done and the farmers go on suffering. The Nation is tired of talks and more talks, speeches, and radio messages. The White House would do well to abandon this kind of tactics and get down to brass tacks and do something.

Here the Norris-Sinclair farm relief bill has been before Congress for three months, and little or nothing done about it. They are the best farm relief measures that have been introduced in Congress thus far. They have received the warm support of the oppressed farming class of the Nation. But any good measure that is a real relief of the situation must not pass. If you can not defeat it entirely, get it out of the way by a substitute. That is what will happen to real farm legislation. Substitutes are quite common nowadays. In fact, they are becoming so numerous that we occasionally discover their real identity. We thought we had a government of the people, by the people, and for the people. We know better now. Every man, woman, and child knows that it is only a substitute. It is a government of the two old reactionary political parties, by Falls and for Sinclairs and Doheneys.

You have heard the President's warning in his message to Congress of December 6. There must not be a wholesale assault upon the Public Treasury. Yet that is what he and Mr. Mellon and those of you advocating this bill propose to do. Of course that may be all right when we do not speak about helping the farmers or adjusted compensation for the ex-service men. I realize we can sing the song a different tune to suit the occasion.

The Mellon plan will take from the coffers of our Treasury millions of dollars and hand it over to the big fellow. This is no empty statement. In one instance alone, this bill lops off $11,000,000 from the taxes that 21 gentlemen with incomes of $1,000,000 or more who, under the present rates, would have to pay $19,000,000 into the Public Treasury. A handsome little gift of $11,000,000 neatly wrapped up in the Mellon bill to a privileged few. And do you think for a moment that the people of the United States will stand for that? Why should these gentlemen be relieved of paying $11,000,000 which you propose by cutting the surtax rates on large incomes from 50 per cent which they now pay to 25 per cent.

You are much more concerned about the decrease in the million-dollar-a-year income class than to relieve the common masses who are now greatly in need. You cite with alarm, the figures about the million-dollar-a-year or better class, which reveal the fact that in 1916 there were 206 who were making a little million or more a year, in 1917 only 141 had this privilege, by 1918 the number had fallen to 67, in 1919 there were 69, in 1920 there were 33, and now only 21 are receiving an income over $1,000,000. Under the present tax the million-dollar-a-year fellow has to pay 55 per cent of his income or $550,000. What a pity. He has only $450,000 left on which to live.

These are the figures of those who have reported their large earnings, but they do not tell us about the many who are escaping their taxes by the use of tax-dodging devices, who, if they would honestly report their incomes, would swell the ranks of the million-dollar-a-year class. Even so, I say, there are 21 too many of these enjoying a million-dollar-a-year income. But, gentlemen, the $11,000,000 is not the only loot from the Public Treasury that will be the result of the passage of the Mellon plan. Why, it is pregnant with bad features that will result only in the enrichment of those with large incomes.

One other condemning feature in the plan is the 25 per cent flat rebate on taxes for the fiscal year of 1923. This will mean a loss to the Treasury of about $232,750,000, as is given out by the committee's report. I wonder how much of that will be the workingman's or farmer's share, who do not earn enough even to pay an income tax. Do you realize that while 4,300,000 persons are paying income taxes, 19,000,000 families in this country live on less than $2,000 a year? Of the 4,300,000 persons that are paying some income tax, 83 per cent receive incomes of less than $5,000 a year. Draw your own conclusions, if you will, who here again gets away with the biggest slice of this rebate.

It is interesting to note that it is these same interests who are now being so well taken care of by the Mellon plan that just two years ago raised the cry for lower taxes and were able to shove through the last Congress a bill which repealed the excess profits tax and reduced the surtax from 65 per cent to 50 per cent, or $500,000,000 annually, but practically nothing was done for the little fellow.

But it was then claimed, as it is now, that reduction on surtaxes will mean greater prosperity, lower cost of living, and more work. Do not forget the last, "more work"; but they did not say anything about better wages. How much has the cost of living been reduced in the last two years? I ask you. How much has the plight of the farmer and worker been bettered as a result of exempting the big fellow from paying his just share of the taxes by repealing the excess-profits tax and reducing the surtaxes? Not only has there been no change for the better but the condition of the masses is growing worse. The cost of living is increasing, rents are sky high, many essentials in life according to American standards are almost beyond the reach of the average man. The farmer can not sell his crops; he has to give them away for almost nothing; the trusts and speculators have him by the throat and are gradually squeezing his belongings from him. The once healthy landowning, prosperous farming people of America are swiftly becoming landless and poverty-stricken tenants.

Gentlemen, I am for lower taxes. I am in favor of the abolition of the excise taxes that have unjustly been weighing down the jewelry-merchant business and the automobile business and many other lines of industry. These sales taxes inevitably were reflected in the articles purchased by the consuming public. I am in favor of abolition of the so-called nuisance taxes. I am opposed to the continuation of amusement taxes, such as taxes on theater tickets, and so forth. I would abolish all these so-called nuisance and sales taxes.

I am in favor of the tax plan such as was outlined by my colleague and frfend Mr. FREAR, who has so ably and forcefully set forth the wishes of the Progressives in this matter of taxation.

The real problem, then, is not so much tax reduction as it is tax readjustment. We must get away from the warped standards of taxation, such as has been the basis of the Mellon plan, and get back to the principle that taxes should be levied according to ability to pay; and the sooner we do this the sooner will we actually bring relief to the country.

Mr. DEAL. Mr. Speaker, the question of taxation has more of interest to me, and should have to every Representative, than any that may come before us for consideration. Upon it depends the peace, happiness, and prosperity of the individual and the Nation. It has rightly been characterized as the power to destroy by many students of taxation as well as by our own Supreme Court in decisions bearing upon the subject. That its importance demands great research, profound study, and experience will not be denied. It would seem ludicrous, therefore, for one so ill informed as I to take issue with those

who for two decades and more have devoted so much time and thought to the subject, and I would not do so were it not apparent to even a casual observer that political advantage has a first place in the consideration of the revenue measure before us.

The demand for reduction in taxes has been so general and so pronounced that it approaches an upheaval in its proportions. I can not think that a request or effort by a few financiers could have aroused such a general demand for a reduction of taxes. I am constrained to believe that it is a spontaneous expression of suffering with which the business and agricultural interests of the country are afflicted. The Mellon plan was the first suggestion of relief in the matter of taxation, and became immediately popular. It is, of course, impossible that the public could know the details, advantages, or disadvantages of any of the plans that have been proposed. It wants tax reduction, and the Mellon idea was the first and only clear-cut proposal that has been presented. Other proposals seem to have only to do with a surtax, normal tax, and nuisance taxes, and have been advanced as amendments to the Mellon idea.

The foundation and framework of a tax plan is embodied only in House Resolution 6715. It was suggested when the Mellon plan was first announced that it proposed a simplification of the income-tax returns, a demand which has been and is universal. Indeed, the complaints against the intricacies, uncertainties, and utter inability to understand these laws by the average citizen has been the principal complaint against the income tax, but of all the measures that have been proposed the one now under consideration seems to me to be the most vicious, most dangerous, and most unjust.

I have always felt that incomes are a source from which the Government should derive revenue provided it is equitably apportioned. I have never felt, however, that a progressive income tax is either just or in conformity with the spirit of our Constituttion. Indeed, I have not thought until consideration of the so-called Mellon plan began that it was constitutional. Only now do I concede so much because I find the Supreme Court, whose duty it is to interpret the law, has declared it permissible by the Constitution. That Congress has the right to tax incomes has not at any time been denied. Contentions have arisen from the belief that the tax has been improperly applied. The first income-tax law enacted by the Congress was in 1861 and continued until 1870, when it was repealed. There was no contest under these laws. In 1894 Congress again enacted an income-tax law which provided a flat tax of 2 per cent on incomes in excess of $4,000.

The constitutionality of this law was attacked in the case of Pollock *v.* Farmers' Loan & Trust Co. (U. S. 157, p. 429) on the ground primarily that it taxed incomes from lands, which is a direct tax, and, therefore, subject to apportionment.

Paragraph 3, section 2, Article I, of the Constitution provides that—

> Representatives and direct taxes shall be apportioned among the several States which may be included within the Union according to their respective numbers.

This apportionment not having been made, it was claimed that such a tax was confiscatory. The Supreme Court did not declare that income taxes as such were unconstitutional, but did determine what constitutes a direct tax, namely, capitation, lands and houses, and the revenue derived from these sources.

Section 8, Article I, provides that the—

> Congress shall have power to lay and collect taxes, duties, imposts, and excises to pay the debts, etc., of the United States, but all duties, imposts, and excises shall be uniform throughout the United States.

Previously it had been assumed that all income taxes would come under the head of excises, treating only as direct taxes a head tax and tax upon land values. This decision, above mentioned, therefore defined the two separate sources from which income could be derived—direct and indirect. The constitutionality of the indirect tax not having been attacked, the court did not at that time undertake to express an opinion as to taxes under this head, but merely declared the act as unconstitutional because there had been a failure to apportion the direct tax. There was a rehearing of this case (U. S. 158, p. 41), and on May 20, 1895, the court affirmed its previous decision, declaring that income from personal property is also a direct tax, still failing to express an opinion upon excise or indirect taxes other than that they should be uniform throughout the United States.

Mr. Justice Field, while concurring with the majority opinion in the aforesaid case, went further, taking the position that the act of 1894, as related to incomes, was unconstitutional in that it exempted from taxation incomes of $4,000 or less, thus destroying the uniformity of the tax, and closed his opinion with these remarks:

> I could not say less in view of questions of such gravity that go down to the very foundation of the Government. If the provisions of the Constitution can be set aside by an act of Congress, where is the course of usurpation to end? The present assault upon capital is but the beginning. It will be but the stepping stone to others, larger and more sweeping, till our political contests will become a war of the poor against the rich; a war constantly growing in intensity and bitterness.

No more prophetic vision was ever expressed; within 20 years his predictions reached the culmination of all of his fears. For 10 years the war has raged with a growing intensity, and the end is not yet. To-day the avowed purpose of many upon this floor is to exempt the poor, and relatively poor, from any income tax and to take from the larger incomes so much as to prevent that which they are pleased to term "swollen fortunes."

The difficulty of enacting legislation taxing incomes from indirect sources and at the same time from direct sources necessitated an amendment to the Federal Constitution, which was submitted by the Sixty-first Congress, in 1910. The resolution was submitted, not with the idea of giving Congress greater power to tax incomes than it already possessed, but to define how the tax might be laid, and reads as follows: "That Congress shall have the power to lay and collect taxes on incomes, from whatever source derived, without apportionment among the several States, and without regard to any census or enumeration." This was ratified by 36 States and proclaimed by the Secretary of State February 25, 1913. The evident intent of the amendment was to reach incomes from direct sources. It did not create any new source from which incomes might be collected, but merely brought together the two sources, direct and indirect, in such shape that Congress could, without complication, enact an income tax law. Congress, in June, 1913, enacted an income tax law and made it progressive. This was contested, and in 1916 declared constitutional by a majority of the Supreme Court of the United States. It is my opinion that the Supreme Court was too liberal in its interpretation as to the tax from excises, which the Constitution requires to be uniform.

The graduated tax is a varying tax, and is not uniform in that it undertakes to tax incomes of one person at a higher rate than that of another. A flat tax upon all incomes is indisputably the equitable method by which incomes should be taxed, and so it was considered by both the States and Congress until the progressive idea was advanced in 1913.

By a flat tax I mean the same percentage of an income, be it large or small, viz, if A has an income of $10,000,000 and B an income of $10,000, and a tax of 10 per cent were laid, A would pay a tax of $1,000,000, while B would pay $1,000; each would pay in proportion to his means, but if a progressive tax is laid, ranging, as proposed in the bill under consideration, the income up to ten or twelve thousand, as the case may be, would pay no surtax. The incomes from $10,000 to $100,000 would vary from 1 to 25 or 44 per cent, and those above $100,000 would pay at the same per cent as those of $100,000. This applies in principle equally to the Mellon and Garner plans.

The inconsistency being that neither plan carries out the theory of placing the burden of taxation upon those best able to bear it. As a matter of fact, the burden of progressive taxation is applied as between the incomes of $10,000 and $100,000, and there the progressive feature ends, leaving all incomes from $100,000 up to infinity to be taxed at the same rate as the $100,000 income and exempting those of $10,000 and under, so that the progressive tax is placed on those incomes which by no possible stretch of the imagination could be considered as a menace to the welfare or well-being of the American people, and certainly can not be regarded as uniform. The Supreme Court, however, has concluded that the word "uniform" means "geographical." The exact intent of this interpretation is not clear to me, the inference, however, appearing to be that "uniform" means varying, in the discretion of Congress. If this be true, and in practice it seems to be, that Congress could enlarge upon the idea and take all of the net income from Mr. Ford, Mr. Wrigley, Mr. Mellon, the Standard Oil Co., and so forth, and thus destroy the so-called menace to society. Constitutional guaranties would be eliminated and the avenue opened wide for confiscation at the instance of communistic movements, which have for their purpose the destruction of property rights. Be it remembered that this bill would not only

exempt incomes up to and including $10,000 and end its progressive feature at $100,000, but it also proposes to exempt earned incomes to the extent of 25 per cent over those of incomes from other sources of like amount, still further infringing upon the meaning of the word "uniform" as given by our standard dictionaries. While not in sympathy with any of the plans proposed, I am confronted with the fact that the plan is already in force and the degree at which this confiscatory process shall proceed is the question only with which we have to deal. My own opinion is that the so-called Mellon plan approximates more nearly equity than does either the Garner plan or the Frear plan, the difference, however, being so slight that it is my purpose to vote with my party and not take advantage of my liberty to vote for that which I consider the better. Permit me to submit a table of rates and taxes derived therefrom:

Income.	Present law.	Mellon plan.	Democratic plan.
	Per cent.	*Per cent.*	*Per cent.*
$8,000-$10,000	1	0	0
$10,000-$12,000	2	1	0
$12,000-$14,000	3	2	1
$14,000-$16,000	4	3	2
$16,000-$18,000	5	4	3
$18,000-$20,000	6	5	4
$20,000-$22,000	8	6	5
$22,000-$24,000	9	7	6
$24,000-$26,000	10	8	7
$26,000-$28,000	11	9	8
$28,000-$30,000	12	10	9
$30,000-$32,000	13	11	10
$32,000-$34,000	15	12	11
$34,000-$36,000	15	13	12
$36,000-$38,000	16	14	13
$38,000-$40,000	17	14	14
$40,000-$42,000	18	15	15
$42,000-$44,000	19	15	16
$44,000-$46,000	20	15	17
$46,000-$48,000	21	16	18
$48,000-$50,000	22	16	19
$50,000-$52,000	23	16	20
$52,000-$54,000	24	17	21
$54,000-$56,000	25	17	22
$56,000-$58,000	26	17	23
$58,000-$60,000	27	18	24
$60,000-$61,000	28	18	25
$61,000-$62,000	28	18	26
$62,000-$63,000	29	18	27
$63,000-$64,000	29	18	28
$64,000-$65,000	30	19	29
$65,000-$66,000	30	19	30
$66,000-$68,000	31	19	31
$68,000-$70,000	32	19	32
$70,000-$72,000	33	20	33
$72,000-$74,000	34	20	34
$74,000-$76,000	35	20	35
$76,000-$78,000	36	21	36
$78,000-$80,000	37	21	37
$80,000-$82,000	38	21	38
$82,000-$84,000	39	22	39
$84,000-$86,000	40	22	40
$86,000-$88,000	41	22	41
$88,000-$90,000	42	23	42
$90,000-$92,000	43	23	43
$92,000-$94,000	44	23	44
$94,000-$96,000	45	24	44
$96,000-$98,000	46	24	44
$98,000-$100,000	47	24	44
$100,000-$150,000	48	25	44
$150,000-$200,000	49	25	44
$200,000 and over	50	25	44

The following table of comparison of the Democratic plan with the Mellon plan will be interesting as well as instructive:

Comparative table showing amount of surtax under the existing law, Mellon plan, Democratic plan, and Longworth compromise plan.

Income.	Present.	Mellon.	Democratic.	Longworth.
$11,000	$60.00	$10.00	.....	$15.00
$12,000	80.00	20.00	.....	30.00
$13,000	110.00	40.00	$10.00	52.50
$14,000	140.00	60.00	20.00	75.00
$15,000	180.00	90.00	40.00	105.00
$16,000	220.00	120.00	60.00	135.00
$17,000	270.00	160.00	90.00	172.50
$18,000	320.00	200.00	120.00	210.00
$19,000	380.00	250.00	160.00	255.00
$20,000	440.00	300.00	200.00	300.00
$21,000	520.00	360.00	250.00	360.00
$22,000	600.00	420.00	300.00	420.00
$23,000	690.00	490.00	360.00	487.50
$24,000	780.00	560.00	420.00	555.00
$25,000	880.00	640.00	490.00	630.00
$26,000	980.00	720.00	560.00	705.00
$27,000	1,090.00	810.00	640.00	787.50
$28,000	1,200.00	900.00	720.00	870.00
$29,000	1,320.00	1,000.00	810.00	960.00
$30,000	1,440.00	1,100.00	900.00	1,050.00

Comparative table showing amount of surtax under the existing law, Mellon plan, Democratic plan, and Longworth compromise plan—Continued.

Income.	Present.	Mellon.	Democratic.	Longworth.
$31,000	$1,570.00	$1,210.00	$1,000.00	$1,147.50
$32,000	1,700.00	1,320.00	1,100.00	1,245.00
$33,000	1,850.00	1,440.00	1,210.00	1,357.50
$34,000	2,000.00	1,560.00	1,320.00	1,470.00
$35,000	2,150.00	1,690.00	1,440.00	1,582.50
$36,000	2,300.00	1,820.00	1,560.00	1,720.00
$37,000	2,460.00	1,960.00	1,690.00	1,815.00
$38,000	2,620.00	2,100.00	1,820.00	1,935.00
$39,000	2,790.00	2,240.00	1,960.00	2,062.50
$40,000	2,960.00	2,380.00	2,100.00	2,190.00
$41,000	3,140.00	2,530.00	2,250.00	2,325.00
$42,000	3,320.00	2,680.00	2,400.00	2,460.00
$43,000	3,510.00	2,830.00	2,560.00	2,602.50
$44,000	3,700.00	2,980.00	2,720.00	2,745.00
$45,000	3,900.00	3,130.00	2,890.00	2,895.00
$46,000	4,100.00	3,280.00	3,060.00	3,045.00
$47,000	4,310.00	3,440.00	3,240.00	3,202.50
$48,000	4,520.00	3,600.00	3,420.00	3,360.00
$49,000	4,740.00	3,760.00	3,610.00	3,525.00
$50,000	4,960.00	3,920.00	3,800.00	3,690.00
$51,000	5,190.00	4,080.00	4,000.00	3,862.50
$52,000	5,420.00	4,240.00	4,200.00	4,035.00
$53,000	5,660.00	4,410.00	4,410.00	4,215.00
$54,000	5,900.00	4,580.00	4,620.00	4,395.00
$55,000	6,150.00	4,750.00	4,840.00	4,852.50
$56,000	6,400.00	4,920.00	5,060.00	4,770.00
$57,000	6,660.00	5,090.00	5,290.00	4,965.00
$58,000	6,920.00	5,260.00	5,520.00	5,160.00
$59,000	7,190.00	5,440.00	5,760.00	5,362.50
$60,000	7,460.00	5,620.00	6,000.00	5,565.00
$61,000	7,740.00	5,800.00	6,250.00	5,775.00
$62,000	8,020.00	5,980.00	6,510.00	5,985.00
$63,000	8,310.00	6,160.00	6,780.00	6,202.50
$64,000	8,600.00	6,340.00	7,060.00	6,420.00
$65,000	8,900.00	6,530.00	7,350.00	6,645.00
$66,000	9,200.00	6,720.00	7,650.00	6,870.00
$67,000	9,510.00	6,910.00	7,960.00	7,102.50
$68,000	9,820.00	7,100.00	8,270.00	7,335.00
$69,000	10,140.00	7,290.00	8,590.00	7,575.00
$70,000	10,460.00	7,480.00	8,910.00	7,815.00
$71,000	10,790.00	7,680.00	9,240.00	8,062.50
$72,000	11,120.00	7,880.00	9,570.00	8,310.00
$73,000	11,460.00	8,080.00	9,910.00	8,565.00
$74,000	11,800.00	8,280.00	10,250.00	8,820.00
$75,000	12,150.00	8,480.00	10,600.00	9,082.50
$76,000	12,500.00	8,680.00	10,950.00	9,345.00
$77,000	12,860.00	8,890.00	11,310.00	9,615.00
$78,000	13,220.00	9,100.00	11,670.00	9,885.00
$79,000	13,590.00	9,310.00	12,040.00	10,162.50
$80,000	13,960.00	9,520.00	12,410.00	10,440.00
$81,000	14,340.00	9,730.00	12,790.00	10,725.00
$82,000	14,720.00	9,940.00	13,170.00	11,010.00
$83,000	15,110.00	10,160.00	13,560.00	11,302.50
$84,000	15,500.00	10,380.00	13,950.00	11,595.00
$85,000	15,900.00	10,600.00	14,350.00	11,895.00
$86,000	16,300.00	10,820.00	14,750.00	12,195.00
$87,000	16,710.00	11,040.00	15,160.00	12,502.50
$88,000	17,120.00	11,260.00	15,570.00	12,810.00
$89,000	17,540.00	11,490.00	15,990.00	13,125.00
$90,000	17,960.00	11,720.00	16,410.00	13,440.00
$91,000	18,390.00	11,950.00	16,840.00	13,762.00
$92,000	18,820.00	12,180.00	17,270.00	14,085.50
$93,000	19,260.00	12,410.00	17,710.00	14,415.00
$94,000	19,700.00	12,640.00	18,150.00	14,745.00
$95,000	20,150.00	12,880.00	18,590.00	15,082.00
$96,000	20,600.00	13,120.00	19,030.00	15,420.00
$97,000	21,060.00	13,360.00	19,470.00	15,765.50
$98,000	21,520.00	13,600.00	19,910.00	16,110.00
$99,000	21,990.00	13,840.00	20,350.00	16,462.50
$100,000	22,460.00	14,080.00	20,790.00	16,815.00
$150,000	46,460.00	26,580.00	42,790.00	34,815.00
$200,000	70,960.00	39,080.00	64,790.00	53,190.00
$250,000	95,960.00	51,580.00	86,790.00	71,940.00

The precedents established under this system of taxation may, with the changing vicissitudes of political conditions, some day react upon those whom we now seek to exempt in favor of those upon whom we now place the burden; such has been the history of autocracies. In our envy and malice and venom toward the man who has made "two blades of grass grow" instead of one we march with hilarity to the slogan, "We'll place the burden of taxation upon those best able to bear it." To accomplish this end we override with impatience certain constitutional inhibitions which are far more valuable to the poor man than to the rich, and though they now enable us to attain the end desired are susceptible to the grossest kind of oppression for our posterity when wealth shall in turn assume the reins of Government.

The colonist when subject to the British were oppressed by burdensome and unusual taxes. They were not given representation, and therefore had no voice in the burden placed upon them. To collect these oppressive taxes, because of which the people began to complain, British detectives and spies were authorized to break into the privacy of the home, to search and seize private papers, records, and correspondence of the people,

thus destroying their peace, happiness, and prosperity by placing their liberty in the hands of irresponsible petty officers.

John Adams, in the year 1817, referring to the trial of a case at Boston in the year 1761, at which he was present, for the searching of premises under general search warrants for smuggled liquor, in which the British court held that though an invasion of the citizens' rights it was necessary to enforce the law, declared that "American independence was then and there born" "In 15 years, 1776, he grew up to manhood and declared himself free." The colonist knew full well the price of liberty. They were willing to pay. Having suffered the humiliations imposed by a British tyrant plus seven years of war, can any sane mind conceive for a moment that those patriots, breathing the air of freedom, when assembled to construct a Government, did not mean every word literally that they wrote into a solemn contract between themselves and their posterity as parties of the first part and the creation by their own hands of a party of the second part?

This contract which we call a Constitution was intended as the inner fort of defense against a duplication of British tyranny. The Congress elected each two years was to be a first line of defense, the Senate a second, and finally the Constitution manned by the Supreme Court was to be the third line. In less than 130 years attacks by minorities of selfishness and greed have broken through the first line in sundry places, undermined the second, and has unquestionably made breaches in the third. To-day we find the first and second lines joining in an effort to destroy the liberty so dearly purchased. It would seem that the courts have weakened. The "big Bertha"—Congress—has been trained upon liberty. Breach after breach has been made. The Constitution said direct taxes shall be apportioned among the States according to representation determined by a census, meaning unquestionably to be kept as nearly equal and uniform as possible. The Supreme Court said this tax was not intended to be equal. The Constitution says that duties, impost, and excises shall be uniform throughout the United States. The court said incomes from realty and personal property is not an excise but a direct tax and subject to apportionment. The Constitution was changed to remove the direct income from apportionment. The court then said uniform taxes as applied to incomes do not mean equal taxes but is "geographical," and hence income taxes mean unequal taxes if Congress so wills. The Constitution says that property shall not be taken without due process. The court says that as applied to incomes unequal tax by progression does not take property without due process, and therefore not confiscatory. The Constitution says that Congress shall make the law and does not authorize it to delegate that power. The court says that Congress has the right to delegate these powers if they call them rules and regulations. The executive branch then makes a code of laws for violation of which citizens may be imprisoned. The Constitution says that the right to be free from unreasonable search and seizures shall not be violated. Congress says that the income tax and prohibition laws can not be enforced without an invasion of those rights. Now, what is the effect of this violence to the Constitution by the Congress and these decisions by the court? Some citizens have had and are having 50 per cent of their property (income) taken from them, while others are exempted; but this is "geographical," and therefore the fathers who fought the war in order to enjoy equal rights intended arbitrary and unequal taxation for their posterity. Congress says that a progressive tax is a just tax.

The court says all right. The Executive branch of the Government makes law and the citizen is persecuted. The Executive searches the home, the premises, the papers, books and letters of respectable citizens, and seizes his property without warrant. The fathers said government exist by consent of the governed. Congress and the Executive says we will govern without consent. The fathers said that government should afford the greatest amount of peace, happiness, and prosperity. Congress and the Executive backed to some extent by the Supreme Court says that we are the judges of what should be peace, happiness, and prosperity. English jurisprudence since the days of Magna Charter assumes that "all persons are innocent of crime till proven guilty, and the burden of proof rests upon the Government." Congress and the Executive, aided by court decisions, assumes that all persons are guilty of crime and the burden of proof as to innocence rest upon the citizen. Are we not back where we were in 1775? How long ere we must again fight the same old fight of our fathers against the tyrants John and Charles and George. What is there to a name? What matters if it be a king, an emperor, a president, a bureau, or a Congress, if we are to be taxed for the pleasure of the farmer to-day, the laborer to-morrow, capital the day after, and so forth, if the sacred rights of home, person, and private effects are to be violated at the instance of irresponsible underlings—if property rights are to be confiscated? Once upon the road to autocracy no Government ever turns back, and rarely, if ever, even halts. To invoke Constitutional limitation is but to provoke derision, so uncompromisingly determined are we to destroy those whom because of their wealth we are pleased to regard as a menace to society. Be it remembered that the estimated tangible wealth of the Nation is $300,000,000,000, it is safe to assume an intangible wealth of $200,000,000,000 in addition, or a total of $500,000,000,000 compared to this the menace of our wealthiest citizen with $750,000,000, would not seem particularly to be feared. My opinion is that the law against promogeniture will take care of this danger. So thought the framers of our Government. The breaking down of constitutional guaranties is a menace to the poor and the rich alike.

Section 1001 delegates absolutely to the commissioner authority to prescribe all needful rules and regulations for the enforcement of this act. It would have been more accurate to have stated that the commissioner is hereby authorized to make and repeal such law as he may deem necessary for the enforcement of this act. The power to make law is vested solely and exclusively in Congress, and the authority to delegate that power has not yet been given. There is nothing more important, however, to every citizen in the United States than the question of his taxes, and if there is any line to be drawn anywhere, at any time, under any conditions, as to the power of Congress to delegate to the executive branch of the Government the right to make law, this is the place and time at which and in which the line should be drawn. These rules and regulations have the binding force of law and subject the citizen to the penalties provided by the bill. Every citizen has a right to know what the law is, but under the powers herein delegated these laws of the commissioner may be changed from day to day, with no opportunity to the citizen to know of the changes that may have been made. The citizen is placed absolutely at the mercy of the honesty, of the decency, and of the intelligence of the commissioner and his assistants. The framers of our Government never intended that such powers should be exercised by the Executive. On the contrary, they attempted in every way possible to separate this power from the Executive, realizing the danger to human liberty resulting therefrom.

Section 1002–A provides that every person shall keep such records as may be required by the commissioner and Secretary. In other words, the millions of people who are struggling with small capital to earn a competence in some line of business would be forced to keep an extended system of red-tape bookkeeping at the command of the commissioner, a burden the cost of which can not be estimated. We have no means of knowing or determining what has been the cost to American citizens of making income-tax returns, and meeting the many unreasonable and complicated demands made by the commissioner. I have an idea that this cost runs into the hundreds of millions of dollars for the employment of lawyers, certified accountants, and traveling expenses to Washington in an effort to protect themselves against demands which they believe to be unjust and unreasonable.

Section 1004 provides that any revenue agent or inspector designated by the commissioner may examine the books, papers, records, or memorandum bearing upon matters required in a return. This enables a detective of the Government to pry into the most private and sacred matters of any citizen, in direct violation of the fourth amendment to the Constitution. I do no believe there is a Member of this body who can or would deny the accuracy of this statement. It is a most vicious principle, that takes from the American citizen the most sacred right and privilege guaranteed by the Constitution and enjoyed prior to the ratification of the sixteenth amendment. Surely there is intelligence enough in this body and among the splendid men who compose the Ways and Means Committee to draft a tax measure that would be within the limits of the Constitution and protect American citizens in the rights to which they are entitled. The practice of committees in accepting bills written by the executive departments of our Government is dangerous in the extreme and unworthy of the intelligence of this Congress.

Mr. LOZIER. Mr. Speaker, I have offered an amendment to subsection 1 of section 701 of the pending revenue bill. As reported by the Ways and Means Committee, this bill imposes a tax on brokers whose business is to negotiate sales of stocks, bonds, and other securities. It is intended primarily to reach the membership of organizations like the stock exchanges at New York, Boston, Philadelphia, and other large cities. It imposes a flat tax of $50 on each broker and requires the payment of an additional amount based on the value of the

broker's seat or membership in the stock exchange. If the seat or membership is worth from $2,000 to $5,000, the broker pays an additional tax of $100. If the membership is worth more than $5,000, the additional tax is $150.

Now, my amendment proposes to increase this tax in proportion to the value of the seat or membership. The section as reported by the committee makes the tax on a seat or membership worth $5,000 the same as the tax on a seat or membership worth $50,000 or $100,000. A membership on the New York Stock Exchange sells at prices ranging from $75,000 to $100,000. Under a progressive tax system, why should not this tax on these seats be graduated according to the value of such membership?

Assuming that a seat or membership on the New York Stock Exchange is worth $75,000 and a seat or membership in the Minneapolis Stock Exchange is worth $5,000, is there any reason or equity in charging the Minneapolis broker the same tax as is charged against the New York broker?

The section as reported by the committee starts out all right and is good as far as it goes, but it does not go far enough. A seat or membership in the New York Stock Exchange is exceedingly valuable, because on the floor of this exchange are sold daily stocks and bonds of the value of many millions of dollars. This means a large volume of business for the members and a greater opportunity for profits. Is it reasonable to tax a broker who handles only a few transactions on a second or third class stock exchange the same as the broker who does an exceedingly large business on the floor of the New York Stock Exchange?

My amendment not only graduates and equalizes the brokerage tax, but it will multiply the revenue from this source many times. The section as it now stands is only a gesture in the right direction. My amendment will make this provision a real revenue producer.

Mr. CELLER. Mr. Speaker and gentlemen of the House, I am in favor of the highest kind of inheritance tax, yet I am opposed to the Ramseyer amendment increasing inheritance taxes beyond the present rate. As to the theory of inheritance taxes, a purpose thereof, but not the primary purpose, is to raise revenue. We must always, however, keep in sight of the fact that fundamentally it is to prevent concentration of large wealth in the hands of a few individuals that we have these death duties. The inheritance tax, on the other hand, is the most direct tax we have. It is a tax that can be least evaded. It is a tax that will get at tax-exempt securities; and while I voted for the tax-exempt securities constitutional amendment, I will say to my friend from Wisconsin [Mr. FREAR], yet I am opposed to this amendment.

And why? We are living under a dual form of government, where the State government is sovereign and the Federal Government is sovereign under the Constitution, and we have the condition where the Federal Government is in the business of inheritance tax and where the State governments are in the business of inheritance tax, and we know which is the stronger of the two. The Federal Government is irrepressible, and once the Federal Government gets in competition with the State governments we know that the States must, of necessity, recede.

Now, I have taken the trouble to make a computation of the maximum rates that have been fixed by the various Commonwealths, and the amounts are astounding. We find, for example, that the maximum rate at which West Virginia taxes collateral relatives and what the Germans call "laughing heirs" is as high as 35 per cent; that Wisconsin and Washington are as high as 40 per cent; that Missouri and Illinois are 30 per cent; that Oregon, Nevada, and Arizona are 25 per cent; that Georgia taxes 21 per cent; that Iowa, Indiana, and California are 20 per cent.

Now, my friends, where and when will this intense competition cease? If we increase these inheritance taxes beyond 25 per cent, we know that the State governments will ape the Federal Government and they will increase the rates correspondingly.

In regard to New York State we have a condition where New York will be deprived, if you pass this amendment, of a goodly portion of its source of revenue. We are taxed in New York, for example, to the extent of nearly 3 per cent on city real property on its assessed valuation. That is a tremendously high rate, and that is because the State government can not otherwise secure enough revenue and therefore levies a direct tax upon the various cities and communities, who in turn tax real estate at very high rates.

Now, New York and other States are about to pass a State soldiers' bonus. We know, for example, that there are $11,000,000,000 of tax-exempt securities in existence. Where are the States going to get the money to pay the principal on all these tax-exempt securities nd the State soldiers' bonus? They must get it somewhere. I can say with greater grace than some gentlemen on that side of the House that I am in favor of the State-rights theory of government, and I do not want to see the Federal Government reaching out like an octopus in every direction, seeking and seizing every source of revenue that is now open to the States. For example, in New York City, because we have prohibition, we have been deprived of certain excise taxes, with the result that almost our entire police pension fund has been depleted, and that fund faces a gigantic deficit.

Where is New York going to raise the money to effect a surplus rather than have a deficit in the police fund? That is only typical of the situation in New York City and elsewhere throughout the country. We must not, without the maturest kind of consideration, take away this source of revenue from the States.

Away back in 1907, before New York passed its transfer tax law, in a report of the special tax commission presided over by Mr. Edward R. N. Seligman, of Columbia University, this report was made to the New York Legislature:

> From the point of view of financial needs, therefore, it is eminently desirable that the National Government should refrain from seizing on those sources of revenue which can constitutionally be utilized by our various Commonwealths and which will surely be more and more needed as time goes on.
>
> It is probably without a due appreciation of the importance of this fact that the President—

Roosevelt was President then—

> has recommended and many public-spirited and wealthy citizens have indorsed national inheritance taxes. The States must therefore not only act promptly by fastening upon these and other substantial subjects of taxation by equitable methods, so as to hold within our borders much-needed revenue for local purposes, but they must so seek to develop them that these sources of revenue be not closed to us in the future by the irresistible competition of the National Government. The National Government is stronger than any State government. If such taxes are once placed upon the statute books of the Nation as permanent measures, they will not readily be removed.

How true that prophecy has come to be. The Federal Government is seeking more and more to invade the States and take away from the States their right to tax and take away from the States their various and many sources of revenue, so that there is really nothing left to the States except a small income-tax rate, and the large income taxes we are fastening upon the country discourage the States from even trying to get their adequate portion of revenue from income tax.

Now, I admit there is a lack of comity in the country with reference to inheritance taxes. I have a case in mind where a man had Rock Island bonds in a safe-deposit vault in Boston. He was domiciled in New York and his estate had to pay an inheritance tax on those bonds in four different States; and why?

New York got its inheritance tax from his estate because he was domiciled there. Massachusetts insisted upon getting its inheritance tax because the physical possession of the security was in Massachusetts, because the securities were in a safe-deposit box in Boston, and the States of Illinois and Iowa insisted on getting their proportion because, as I understand it, the Rock Island Railroad Co. was incorporated in both of those Commonwealths. In addition to that, the Federal Government also insisted upon exacting its toll of the Federal inheritance tax.

I know of another case where a man in Michigan made a large bequest to the Smithsonian Institution, a Federal agency, and the State of Michigan said, "We must have our tax because Michigan"—as I understood it—"only allows a limit with reference to exemptions where the gift is made to educational institutions." And we had the spectacle of the Smithsonian Institution being compelled to pay back into the coffers of Michigan a portion of that gift.

I had to handle an estate in my office where it was necessary to file inheritance-tax returns in over a dozen different States, and several of them taxed the same property. It takes days and sometimes weeks to get waivers from the comptrollers or treasurers of the various States, which waivers evidence payment, or lack of necessity for payment, of the death duties; with the result that the endless delay results sometimes in violent changes in values due to fluctuations in the stock market quotations. Such uncertainties ought never enter into the sale of securities by executors and trustees of estates.

If a corporation is organized in State A and does business in State B and the decedent holding its stock lived in State C, all three States will exact its toll from the stock. Ofttimes the

taxes due the various Commonwealths total more than the value of the stock.

Every State has a different inheritance-tax procedure and law. Florida advertises that it proposes to amend its constitution to prevent the exaction of inheritance taxes, so as to attract rich men to come there and die.

Now, I say, because of this disparity of State inheritance taxes, because of this lack of comity, there should be assembled, as the gentleman from New York has well said, at some place representatives from all the Commonwealths and representatives of the Federal Government to work out some logical and scientific scheme of taxation on inheritances, and thus avoid the spectacle of a person being compelled to pay taxes to several States on the same property.

Until this chaos is removed from State transfer taxes the Federal Government should leave well enough alone.

We have a uniform sales act, a uniform negotiable instruments law, and should have a uniform transfer tax law operative in the various States.

IN OPPOSITION TO GIFT TAX AMENDMENT.

The so-called gift tax is objectionable because—

1. It is unnecessary.
2. It defeats the purpose of the inheritance taxes.

It is idle and regrettable to add subjects of taxation to the revenue bill when its purpose is to reduce taxes and to decrease the number of subjects and articles to be taxed. The revenue bill is, indeed, the piece de resistance of the present session of Congress, but the gift tax will not sit well upon the stomach of the Nation.

Of all nations France is the only one that I know of that has a gift tax. The principal theory of the inheritance tax is the prevention of concentrated wealth in the hands of a few. Democracies are jealous of swollen fortunes, that make for the very antithesis of democracy, namely, moneyed aristocracy. The inheritance tax, therefore, is supposed to encourage the rich man to divide his wealth in his lifetime, under penalty of paying the tax at his death. But if you penalize him in his lifetime by a gift tax—a tax on all gratuitous distribution of his property—you discourage the very diffusion of large estates, which diffusion the inheritance tax aims at, and on the other hand you increase the incentive to pile up fortunes, the very evil that the inheritance tax discourages.

The inheritance tax or death duties have not the primary purpose of raising revenue; that is its secondary purpose. Its primary purpose was and is to fritter away what Roosevelt called "swollen fortunes." The gift tax defeats this purpose.

The rich man, if you have the large inheritance tax and the corresponding gift tax, is caught between two fires; he is damned if he does and damned if he does not—that is, he is heavily taxed if he divides his property during his lifetime by gifts and is heavily taxed if he does not, and keeps it intact till death, when the inheritance taxes attach it. The gift tax will undoubtedly yield revenue and lots of it, but a great evil is engendered. The rich man, caught between Scylla of gift taxes and Charybdis of death taxes prefers always to hold his property to the end and pay the death taxes. We thus play into the hands of "swollen fortunes." Mortmain "the dead hand" is triumphant. The dead man controls the estate now in the hands of the living. His dead hand reaches out in absolute control.

This amendment is ill considered. I have examined the files of the Congressional Library and found nothing on it. England has no gift tax. No continental nation, except France, has adopted it. We know little of the operation of such a law. I am opposed to it and hope it shall be voted down despite the fact that its author is the ranking member on our side on the Ways and Means Committee, the distinguished gentleman from Texas [Mr. GARNER], a man whose wisdom and prudence I shall always respect, but whose leadership I must respectfully decline to follow at this time.

INTERIOR DEPARTMENT APPROPRIATION BILL.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 5078, the Interior Department appropriation bill, disagree to the Senate amendments, and agree to the conference asked for by the Senate.

The SPEAKER. The gentleman from Michigan asks unanimous consent to take from the Speaker's table the bill H. R. 5078, the Interior Department appropriation bill, disagree to all the Senate amendments, and agree to the conference asked for by the Senate. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 5078) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1925, and for other purposes.

The SPEAKER. Is there objection?

Mr. BLANTON. Mr. Speaker, reserving the right to object—and I shall not object—I want to ask the gentleman whether or not he is going to give us the opportunity——

Mr. SEARS of Florida. Mr. Speaker, I make the point of no quorum.

Mr. BLANTON. Then I object, Mr. Speaker.

Mr. CRAMTON. If the gentleman insists on his point, I would rather withdraw my request.

Mr. SEARS of Florida. I will withdraw it if you are not going to waste too much time.

Mr. BLANTON. The Senate has added $2,500,000 to that bill over and above what the House put in. Is the gentleman going to give us an opportunity to vote on those raises before he agrees to them in conference?

Mr. CRAMTON. I could not promise that as to all of them, but there are some of them as to which I could. For instance, there is an item of half a million dollars for Howard University that I would be obliged to bring back under the rules.

Mr. BLANTON. How about those matters out in Idaho?

Mr. CRAMTON. One of them, you will remember, I reported to the House.

Mr. BLANTON. But they are new items, so far as the House is concerned.

Mr. CRAMTON. My impression is that it went out in the House on a point of order. I am obliged to give a separate vote on that.

Mr. BLANTON. The gentleman promises to give us an opportunity to vote on that?

Mr. CRAMTON. I will promise to give an opportunity to the House to vote on that matter.

The SPEAKER. Is there objection?

There was no objection; and the Speaker announced as the conferees on the part of the House Mr. CRAMTON, Mr. MURPHY, and Mr. CARTER.

GRAND CANYON NATIONAL PARK.

Mr. CRAMTON. Mr. Speaker, I ask unanimous consent that I may speak for 30 minutes next Monday, following the reading of the Journal, on the accessibility of the Grand Canyon National Park.

The SPEAKER. The gentleman from Michigan asks unanimous consent to speak for 30 minutes next Monday, following the reading of the Journal, on the Grand Canyon National Park. Is there objection?

Mr. SEARS of Florida. Reserving the right to object, Mr. Speaker, I would like to find out the attitude of the majority leader on that question.

Mr. LONGWORTH. I shall certainly not object.

Mr. SEARS of Florida. I certainly shall not object, but the gentleman over there is so anxious to proceed when I want to talk that I want to find out his attitude.

Mr. GREEN of Iowa. The gentleman can talk now, so far as I am concerned.

The SPEAKER. Is there objection?

There was no objection.

ANNOUNCEMENT.

Mr. UPSHAW. Mr. Speaker, I ask unanimous consent to address the House for one-half minute.

The SPEAKER. The gentleman from Georgia asks unanimous consent to address the House for half a minute. Is there objection?

There was no objection.

Mr. UPSHAW. I wish to call the attention of my colleagues to the entertainment to be given in the caucus room to-morrow evening at 8 o'clock by Booth Lowrey, the gifted brother of our colleague. It will be an inspiring and entertaining hour.

EDUCATION.

Mr. EAGAN. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a message by the Governor of New Jersey to the joint session of the New Jersey Legislature on the subject of education.

The SPEAKER. The gentleman from New Jersey asks unanimous consent to extend his remarks in the matter indicated. Is there objection?

There was no objection.

Mr. EAGAN. Mr. Speaker, under leave to extend my remarks I submit the following message addressed by Governor Silzer to the joint session of the New Jersey Legislature on February 25, 1924:

To the Legislature:

I come to-night to counsel with you on the subject of education. It is clearly the most important thing we have to deal with in our State.

It is our business to see that our children get the best education possible. We are obliged to make our system of education both efficient and economical. Our duty is to the children and, back of them, to their parents, the taxpayers of the entire State.

No single department costs so much to conduct, for the people of New Jersey annually expend $46,000,000 for education.

Any business corporation spending $46,000,000 yearly for purely commercial purposes and profit would exercise the greatest care and scrutiny to secure efficiency and economy. Auditors would be employed, as well as supervisors, efficiency experts, and other well-paid, highly qualified men. By this method have the great business enterprises of the Nation been built up by our captains of industry.

In our public administration we usually adopt the course of least resistance and of least friction—the course of drifting until we reach a place where we come upon the rocks or see that we can drift no further. Then we stop, make slight changes in our course, and continue the journey, sure to come upon the rocks again.

In a matter of such great importance we can not continue this course. We must adopt the same methods which have built up our large industries and made this country great.

I do not mean to imply any criticism of those conscientious officers, boards, and teachers who give such unselfish and patriotic thought and attention to this work. What I do mean to say is that periodically we must examine ourselves in order to see whether we are getting the proper results.

In 1911 a legislative committee investigated the school question and made a number of recommendations which were adopted with resulting benefit to our schools. For 13 years there has been no further investigation. These 13 years, with the changes brought about by the war, the increasing complication of modern education, and its vast expense, have entirely changed conditions.

It is true that during that time our boards and those interested in the schools have done much for their advancement. The opportunity, however, for investigation by our State board of education and others is exceedingly limited, because they have neither the time, the money, nor the power to do this work.

In my judgment, the time has arrived when a thorough survey should be made of our entire school system in order to correct such evils as may exist, and to put into effect such improved methods as may be of advantage.

There are at present in the State 693,342 pupils attending school. We have 2,191 school buildings, representing an investment of $151,796,312.20. There are 21,644 teachers employed, all of which indicates the vastness and complexity of the problem.

In 1920 $1,200,000,000 was spent throughout the United States for education, an increase of 100 per cent over 1910.

In 1920 education took 36 per cent of the total State and local expenditures, as compared with 26½ per cent in 1915.

In 1920 the highest expenditure was 44.7 per cent, the lowest 16.1 per cent, New Jersey being eighth in the column of States. As I stated before, the present yearly cost is $46,000,000.

COMPLAINTS.

During the last few years numerous complaints and criticisms have been made of our school system. There are many people who believe that there is too much time spent upon what they call "fads and frills." In this category are included such subjects as basket ball and football, directed play, folk dances, intelligence tests, Palmer method of writing, business training, domestic science, drawing, music, modern language, manual training, public speaking, promiscuous reading to pupils, salesmanship, sewing, cooking, and stenography and typewriting.

These same critics complain that we are neglecting the primary education of our children; that the fundamentals are not being firmly implanted in their minds, and that too much time is being spent on subjects which will be of little or no use to the children in after life.

We learn that out of 298 high-school graduates who took an examination for admission to a State normal school 98 failed.

At another time 129 were examined and 70 failed.

Recently 17 normal-school graduates took an examination to teach in the schools of Irvington; 1 passed and 16 failed. Some received marks as low as 45¾ per cent; in other subjects the marks ranged from 40 per cent to zero. The median in arithmetic was 30 per cent.

The questions that naturally arise are: What is wrong with this normal school? What is wrong with these graduates? Do we want our children taught by such teachers?

"A vicious circle," said a recent educational writer, "is drawn when the normal schools blame the high schools for not sending them better material; the high schools blame the grammar schools for sending along pupils insufficiently prepared, and the grammar school snaps back that they would do better work if the normal schools furnished them better teachers."

We spend $660,000 yearly for medical inspection. Is the inspection systematic and economical? Is there proper coordination between departments? Do educational laws need revising and codifying? Is proper progress being made in the preparation of textbooks? Is there uniformity of curriculum?

Is the term at normal school long enough to properly train teachers? Are we teaching enough of pedagogy? Have we too many daily subjects for pupils in the elementary departments?

Shall we segregate defective children and teach them useful manual work, or permit them to remain with other classes, trying to teach them that which they can not grasp?

Are teachers' institutes functioning as planned?

These and hundreds of other questions are being asked every day by those most interested in our schools.

Numerous criticisms are being made of the conduct of our schools and of the results obtained. Whether these criticisms are well founded or not I do not know. But I do know that we ought to ascertain whether these criticisms are well founded or not. This is our clear duty. If we find that there is nothing in these criticisms, then the critics will be silenced. On the other hand, if we find that they are well founded, then the evils can and should be speedily corrected. We have no right to leave the matter in the present uncertain state.

COST OF SCHOOLS.

In these times of high taxes it is but natural that there should be a great deal of criticism of the type and character of schools erected and of their high cost.

The value of school properties increased in 1923 over 1922 from $133,111,171 to $151,800,000, or nearly $19,000,000.

In 1914 the value was $58,000,000, the increase from 1914 to 1923 being nearly $100,000,000 or nearly 200 per cent.

Disbursement for purchase of land and erection of buildings during the last five years was as follows:

1919	$2,772,218
1920	5,467,458
1921	12,464,293
1922	14,279,157
1923	19,106,953

This shows an increase of about $17,000,000 in five years.

In the last five years $6,525,420 has been expended on buildings for high-school use only to accommodate 11,400 pupils.

In one city a high-school building cost approximately $2,000,000; in another, $1,016,000; in another a junior high school cost $1,400,000.

In even smaller districts with low ratables large sums are spent.

Applications are constantly being made for the passage of bills by the legislature to raise the bond limit so new and expensive schools may be built.

In the building of schools we find included in them large offices, swimming pools, organs, gymnasiums, kitchens, sewing rooms, manual-training rooms, large auditoriums, designed not for educational but rather for community purposes, and many other things of like character. These may all be necessary and advisable, but in view of the criticism we ought to find out. We ought to express our approval if they are correct and our disapproval if they are not, and so end these discussions.

INCOME.

Let us examine our sources of income, those which go to make up the $46,000,000 expended yearly, to determine whether there is any need for correction or improvement.

It is quite evident that with the natural increase in the number of school children from year to year, this will be a continuing and progressive and troublesome problem.

A comparison of the number of pupils enrolled during the last five years is as follows:

1919	596,994
1920	623,284
1921	640,765
1922	678,734
1923	693,342

This shows an annual increase of 24,097 during this five-year period.

EXPENDITURES.

We must also examine our method of expending the $46,000,000, to determine whether there is waste, and to determine whether we are getting value received. There are continuing demands for schools and school facilities which will have to be met. For this we must be prepared. We must look to the future and be ready to meet it.

Each year the State officials are confronted with the necessity of reducing requests for appropriations for worthy objects. To illustrate: It was found necessary, on account of insufficient revenue this year, to decline the request of the State Board of Education for the completion of the school for the deaf. This school is a veritable fire trap. From it the younger children have been removed. The older children should also be removed at once, but buildings are not available because the funds are not to be had.

New normal schools are required from time to time, as well as other units in our vast educational system.

Education consists not only of a fundamental and intermediary education, but in high-school and college education. Since the war

there has been an increasing demand for high-school education, as illustrated by the following figures:

Number of pupils entering high school (including repeaters):

1919	22,034
1920	24,297
1921	26,869
1922	31,484
1923	33,065

This shows an increase of 11,031 during the five-year period, or 50 per cent over the number entering in 1919.

Evidently the young men who went to the front were brought to a realization of the value of education and have made up their minds to have it and to see that the younger members of their families have it.

Our State is most fortunate, in the matter of higher education, in having within its borders institutions which are not surpassed by any in the United States—such institutions as Princeton University, Rutgers College, Stevens Institute, and Seton Hall. Most of these are private institutions, devoted to the education of those who can afford to pay the fees. The State college (Rutgers), however, has a number of free scholarships and is doing excellent work along educational and scientific and agricultural lines. In considering the question of education we can not neglect these demands and needs for higher education.

TEACHERS' RETIREMENT FUND.

Under a State statute our teachers are retired after a certain number of years of service. Under that statute the State is called upon to appropriate nearly $2,000,000 each year to provide the necessary funds for this purpose. Whether the present method is scientifically accurate and financially sound, and whether it expresses the policy which the States should continue for its protection and the protection of these teachers, is a question that should be examined.

THE PROBLEM.

We must determine how we are going to get the funds to provide the necessary facilities for the educational purposes above outlined.

In what I have said I have but touched the surface of the educational problem. There are many questions which will have to be taken up and examined.

According to the latest United States Census there are in New Jersey 127,661 people who can not read or write, over the age of 10 years. Of these, 911 are between the ages of 10 and 15 years of age. Of this 911, 283 are of native parentage.

These must be taken care of.

Our children must be thoroughly grounded in the fundamentals, and those who desire higher education must be given the facilities.

We can not permit our children, through our neglect and carelessness, to grow up in ignorance or to be half educated. We must make of them enlightened and helpful citizens. We can not permit them to drift back into ignorance and into that class so sadly exploited by others who have more knowledge.

We now have an educational system of which we are proud. We have made great advances in this work. We stand high among the States in our accomplishment. We must not stop now. Our goal should be the best, for nothing is too good for the children of our State.

RECOMMENDATIONS.

I would therefore recommend that the governor be authorized to appoint a committee of nine to make a survey of our entire educational system, the committee to be composed of the nine best qualified persons who can be found. I suggest nine in order that the committee may be large enough to divide itself into sections for the study of particular problems, following this study by a joint conference of the full committee on all questions.

I have not suggested a legislative commission because I realize the sacrifices which members of the legislature must make, not only during the pre-election period but afterwards in the legislative session. It is not fair to ask them to make further sacrifices. Those to be secured to take a place on such a commission must be those who can devote themselves to it and who at the same time have a deep and abiding interest in the solution of this important question as well as a patriotic desire to help the children of the State in which they live.

I would recommend an appropriation of $75,000 so that the committee may secure such expert advice and help as may be necessary to get the best results. This amount is small when we consider an annual expenditure of $46,000,000. It may not be necessary to use all of it, but it should be available.

I commend these thoughts and recommendations to your earnest consideration, and trust that in the interest of the schools of our State and the education of our children and their future well-being you will take prompt action.

Respectfully submitted.

GEORGE S. SILZER, *Governor.*

Attest:

FREDERIC M. P. PEARSE,
Secretary to the Governor.

EXPUNGING REMARKS FROM THE RECORD.

Mr. LONGWORTH. Mr. Speaker, I want to call the attention of the House to a speech printed in the RECORD under leave to extend by the gentleman from Illinois [Mr. MICHAELSON] on the subject of water diversion of Lake Michigan. During his speech he criticized very severely a Member of the United States Senate. He not only criticizes him but practically imputes to him motives of dishonesty.

Mr. BLANTON. Is he present, Mr. MICHAELSON?

Mr. MICHAELSON. Yes; he is here.

Mr. LONGWORTH. I am glad the gentleman is here, because I felt it my duty, whether he was here or not, that I must call the attention of the House to what I regard as a gross breach not only of the privilege of extension but of the well-understood rule that no Member of either body may criticize a Member of the other body. I move that these remarks be expunged from the RECORD.

Mr. MICHAELSON. Mr. Speaker, will the gentleman yield?

Mr. LONGWORTH. Yes.

Mr. MICHAELSON. Provided the truth is told in the article, would it be considered a breach of the rules of the House?

Mr. LONGWORTH. Absolutely a breach of the rules of this House for any gentleman to criticize Members of the other body.

Mr. MICHAELSON. I would like to see the rule.

Mr. LONGWORTH. The gentleman had better consult the rules before he so grossly violates the privileges of this House, as he has done in this instance. I move, Mr. Speaker, that the remarks of the gentleman be expunged from the RECORD.

Mr. CONNALLY of Texas. Does the gentleman's request apply to all of the remarks or just that portion to which the gentleman from Ohio has referred?

Mr. LONGWORTH. I think they should all be expunged, because they are so interwoven it is difficult to separate them.

Mr. CONNALLY of Texas. Mr. Speaker, I ask unanimous consent that the gentleman from Illinois have a minute to make a statement, as the gentleman from Ohio has had a minute or so.

Mr. BLANTON. Mr. Speaker, I move as a substitute that such portions of the remarks as are violative of the rules be expunged.

The SPEAKER. The gentleman from Ohio did not yield the floor for the purpose of having another motion made.

Mr. LONGWORTH. Mr. Speaker, I move that these remarks be expunged from the RECORD.

The SPEAKER. Does the gentleman yield to the gentleman from Illinois, as has been suggested?

Mr. LONGWORTH. I yield to the gentleman in order that he may make any explanation he desires.

Mr. BLANTON. Mr. Speaker, a better opportunity should be given——

The SPEAKER. At present the gentleman from Ohio has the floor and the gentleman from Texas is out of order.

Mr. BLANTON. We ought to have a quorum present if we are to vote on this matter now.

The SPEAKER. The gentleman is out of order, because the gentleman from Ohio has the floor.

Mr. BLANTON. Then, Mr. Speaker, I make the point of order of no quorum.

The SPEAKER. The gentleman can do that, of course.

ADJOURNMENT.

Mr. GREEN of Iowa. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 27 minutes p. m.) the House adjourned until to-morrow, Saturday, March 1, 1924, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

386. Under clause 2 of Rule XXIV, a letter from the Secretary of War, transmitting, with a letter from the Chief of Engineers, reports on preliminary examination and survey of Cambridge Harbor, Md. (H. Doc. No. 210), was taken from the Speaker's table, referred to the Committee on Rivers and Harbors, and ordered to be printed, with illustrations.

CHANGE OF REFERENCE.

Under Clause 2 of Rule XXII, the Committee on Invalid Pensions was discharged from the consideration of the bill (H. R. 5655) granting a pension to William P. A. Fitzjohn, and the same was referred to the Committee on Pensions.

PUBLIC BILLS, RESOLUTIONS, AND MEMORIALS.

Under clause 3 of Rule XXII, bills, resolutions, and memorials were introduced and severally referred as follows:

By Mr. FAIRFIELD: A bill (H. R. 7398) to amend the organic act of Porto Rico, approved March 2, 1917; to the Committee on Insular Affairs.

By Mr. WAINWRIGHT: A bill (H. R. 7399) to amend section 4 of the act entitled "An act to incorporate the National Society of the Sons of the American Revolution," approved June 9, 1906; to the Committee on the Judiciary.

By Mr. WILLIAMSON: A bill (H. R. 7400) authorizing the Secretary of the Interior to consider, ascertain, adjust, and determine claims of certain members of the Sioux Nation of Indians for damages occasioned by the destruction of their horses; to the Committee on Indian Affairs.

By Mr. McKEOWN: A bill (H. R. 7401) providing for the erection of a public building in the city of Sapulpa, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7402) providing for the erection of a public building in the city of Ada, Okla.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7403) for the erection of a public building at Drumright, Creek County, Okla.; to the Committee on Public Buildings and Grounds.

By Mr. BACON: A bill (H. R. 7404) for the apportionment of Representatives in Congress amongst the several States under the Fourteenth Census; to the Committee on the Census.

Also, a bill (H. R. 7405) authorizing an exchange of lands between the United States and the State of New York; to the Committee on Interstate and Foreign Commerce.

By Mr. LARSEN of Georgia: A bill (H. R. 7406) to provide for the authorization of appropriation for the purchase of a site and the erection of a Federal building at Swainsboro, Ga.; to the Committee on Public Buildings and Grounds.

By Mr. SUTHERLAND: A bill (H. R. 7407) to amend an act entitled "An act to provide additional credit facilities for the agricultural and livestock industries of the United States; to amend the Federal farm loan act; to amend the Federal reserve act, and for other purposes," approved March 4, 1923; to the Committee on the Territories.

By Mr. WILLIAMSON: A bill (H. R. 7408) to authorize the acquisition of a site and the erection thereon of a Federal building at Winner, S. Dak.; to the Committee on Public Buildings and Grounds.

By Mr. DAVEY: A bill (H. R. 7409) providing for the purchase of a site and the erection of a public building at Kent, Ohio; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7410) providing for the purchase of a site and the erection of a public building at Oberlin, Ohio; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7411) to increase the cost of the public building at Akron, Ohio; to the Committee on Public Buildings and Grounds.

By Mr. JACOBSTEIN: A bill (H. R. 7412) to create an additional judicial district in the territory embraced within the present western district of New York; to the Committee on the Judiciary.

By Mr. HUDDLESTON: A bill (H. R. 7413) to enlarge the post-office building at Bessemer, Ala.; to the Committee on Public Buildings and Grounds.

By Mr. HADLEY: A bill (H. R. 7414) to construct a public building for a post office at the city of Port Angeles, Wash.; to the Committee on Public Buildings and Grounds.

Also, a bill (H. R. 7415) to authorize the acquisition of a site and the erection thereon of a Federal building at Blaine, Wash.; to the Committee on Public Buildings and Grounds.

By Mr. McSWEENEY: A bill (H. R. 7416) authorizing and directing the Secretary of the Treasury to acquire, by purchase, condemnation, or otherwise, a suitable site and cause to be erected thereon a suitable building for the use and accommodation of the post office and other governmental offices at Canton, Ohio, at a cost not to exceed $750,000, and to sell the present building and site; to the Committee on Public Buildings and Grounds.

By Mr. WOLFF: A bill (H. R. 7417) to amend and modify section 408 of the war risk insurance act; to the Committee on World War Veterans' Legislation.

By Mr. McKEOWN: Joint resolution (H. J. Res. 202) for the relief of the boll weevil, drought, and flood stricken farm areas of Oklahoma; to the Committee on Agriculture.

By Mr. EVANS of Montana: Joint resolution (H. J. Res. 203) for the relief of the drought-stricken farm areas of Montana; to the Committee on Agriculture.

By Mr. WATKINS: Resolution (H. Res. 201) to investigate the operations, policies, and affairs of the Bureau of Investigation of the Department of Justice; to the Committee on Rules.

PRIVATE BILLS AND RESOLUTIONS.

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ANTHONY: A bill (H. R. 7418) granting a pension to Sarah E. Lovell; to the Committee on Invalid Pensions.

By Mr. AYRES: A bill (H. R. 7419) granting an increase of pension to Lucy J. Hartley; to the Committee on Pensions.

By Mr. BECK: A bill (H. R. 7420) for the relief of Albert E. Laxton; to the Committee on Claims.

By Mr. BOYLAN: A bill (H. R. 7421) for the relief of Thomas Murphy; to the Committee on Military Affairs.

By Mr. DEAL: A bill (H. R. 7422) for the relief of Fred E. Jones Dredging Co.; to the Committee on Claims.

By Mr. FAIRCHILD: A bill (H. R. 7423) for the relief of the owner of the scow *John H. Ryerson;* to the Committee on Claims.

Also, a bill (H. R. 7424) for the relief of Lehigh Valley Railroad Co. and McAllister Lighterage Line (Inc.); to the Committee on Claims.

By Mr. GARDNER of Indiana: A bill (H. R. 7425) granting a pension to Mary J. Brown; to the Committee on Invalid Pensions.

By Mr. GREENWOOD: A bill (H. R. 7426) granting a pension to Zilpah I. Eaton; to the Committee on Invalid Pensions.

By Mr. GRIEST: A bill (H. R. 7427) granting an increase of pension to Mary E. Burns; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7428) granting an increase of pension to George Grove; to the Committee on Invalid Pensions.

By Mr. KING: A bill (H. R. 7429) granting an increase of pension to Anna W. Jones; to the Committee on Invalid Pensions.

By Mr. LEHLBACH: A bill (H. R. 7430) authorizing the President to order Leo P. Quinn before a retiring board for a rehearing of his case, and upon the finding of such board either confirm his discharge or place him on the retired list with the rank and pay held by him at the time of his discharge; to the Committee on Military Affairs.

By Mr. McSWEENEY: A bill (H. R. 7431) granting a pension to Raymond E. Fisher; to the Committee on Pensions.

By Mr. MILLIGAN: A bill (H. R. 7432) granting an increase of pension to Andrew J. Lee; to the Committee on Pensions.

By Mr. REECE: A bill (H. R. 7433) granting a pension to Roy B. Wilcox; to the Committee on Pensions.

By Mr. SANDERS of Indiana: A bill (H. R. 7434) granting an increase of pension to Malissa Sawyer; to the Committee on Invalid Pensions.

By Mr. SWOOPE: A bill (H. R. 7435) for the relief of Mary L. Sprague; to the Committee on Claims.

By Mr. TAYLOR of Tennessee: A bill (H. R. 7436) for the relief of the heirs of Joe Wallace; to the Committee on War Claims.

Also, a bill (H. R. 7437) granting a pension to George W. Moore; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7438) granting a pension to Mary M. Oody; to the Committee on Invalid Pensions.

By Mr. THOMPSON: A bill (H. R. 7439) granting an increase of pension to Warren A. Ritter; to the Committee on Pensions.

By Mr. VINCENT of Michigan: A bill (H. R. 7440) granting an increase of pension to Kate H. Garvin; to the Committee on Invalid Pensions.

By Mr. WELLER: A bill (H. R. 7441) for the relief of the owner of the steamship *Neptune;* to the Committee on Claims.

Also, a bill (H. R. 7442) for the relief of the owner of cargo aboard the American steamship *Lassell;* to the Committee on Claims.

By Mr. WILLIAMS of Illinois: A bill (H. R. 7443) granting a pension to Annis White; to the Committee on Invalid Pensions.

Also, a bill (H. R. 7444) granting a pension to Abdillah Ray; to the Committee on Invalid Pensions.

By Mr. WILLIAMSON: A bill (H. R. 7445) granting a pension to Arthur Cruise; to the Committee on Invalid Pensions.

By Mr. WOLFF: A bill (H. R. 7446) for the relief of Luther H. Williams; to the Committee on Claims.

By Mr. WURZBACH: A bill (H. R. 7447) authorizing the President to appoint Robert C. Gregory a captain of Infantry

in the United States Army and place him upon the retired list of the Army; to the Committee on Military Affairs.

Also, a bill (H. R. 7448) authorizing the President to appoint Charles McKee Krausse a captain in the United States Marine Corps; to the Committee on Naval Affairs.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1427. By Mr. BIXLER: Petition of Rotary Club, Franklin, Pa., indorsing Kelly-Edge bill; to the Committee on the Post Office and Post Roads.

1428. Also, petition of members of Gus E. Warden Post, No. 526, American Legion Auxiliary, favoring bonus for World War veterans; to the Committee on Ways and Means.

1429. Also, petition of Gus E. Warden Post, No. 526, American Legion Auxiliary, Department of Pennsylvania, for adjusted compensation; to the Committee on Ways and Means.

1430. By Mr. BRIGGS: Petition of Clarence E. Gilmore, chairman, W. A. Nabors, commissioner, Walter Splawn, commissioner, Railroad Commission of Texas, opposing the passage of Senate bill 2224, to be known as "The railroad consolidation act of 1924"; to the Committee on Interstate and Foreign Commerce.

1431. By Mr. BURTON: Petition of the National Federation of Post Office Clerks, Local No. 72, Cleveland, Ohio, recommending favorable consideration by the committee of the bill H. R. 4123, and setting forth the reasons therefor; to the Committee on the Post Office and Post Roads.

1432. Also, petition of Asbestos Workers' Union, No. 3, of Cleveland, Ohio, urging passage of any resolution authorizing the appropriation of necessary funds to enable the President to send representatives of the United States to the forthcoming international conference; to the Committee on Foreign Affairs.

1433. Also, petition of the Cuyahoga County Council of the American Legion, February 18, 1924, approving the adjusted compensation bill now pending in Congress; to the Committee on Ways and Means.

1434. Also, petition of divers citizens of the city of Cleveland, requesting support of the measure now pending in Congress amending the Volstead act by permitting the manufacture and sale of beer and light wines; to the Committee on the Judiciary.

1435. Also, petition of the Italian Political and Civic Club, of Cleveland, Ohio, opposing the passage of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1436. Also, petition of post-office employees of the city of Cleveland, requesting support of the Kelly omnibus bill providing for a reclassification of postal workers' salaries; to the Committee on the Post Office and Post Roads.

1437. By Mr. CULLEN: Petition of the Gold Star Association of America, New York City, N. Y., favoring the passage of House bill 4109, which authorizes an appropriation to enable gold star mothers, fathers, or wives of deceased soldiers buried in France to visit the last resting places of their dead; to the Committee on Military Affairs.

1438. Also, petition of the Victor H. Bridgman Post, No. 44, Veterans of Foreign Wars of the United States, Brooklyn, N. Y., favoring an adequate readjustment of the salaries of letter carriers and post-office clerks; to the Committee on the Post Office and Post Roads.

1439. By Mr. DOYLE: Petition of the city council of Chicago, Ill., favoring the enactment of legislation that will provide for a flow of 10,000 cubic feet per second through the main channel of the Sanitary District Canal; to the Committee on Interstate and Foreign Commerce.

1440. Also, petition of the city council of Chicago, Ill., favoring an amendment to the transportation act of 1920 as will divest the Interstate Commerce Commission of any jurisdiction over rates of depreciation to be charged by local telephone companies; to the Committee on Interstate and Foreign Commerce.

1441. By Mr. GARBER: Petition of citizens from the eighth district of Oklahoma, requesting that nuisance and war taxes be removed or reduced; to the Committee on Ways and Means.

1442. By Mr. KIESS: Evidence in support of House bill 1542, granting increased pension to Mary D. Bilbay; to the Committee on Invalid Pensions.

1443. By Mr. KINDRED: Petition of Abraham & Straus, Brooklyn, N. Y., favoring a 1-cent rate for postage; to the Committee on the Post Office and Post Roads.

1444. By Mr. KING: Petition of the city council of Geneseo, Ill., favoring the adjusted compensation bill; to the Committee on Ways and Means.

1445. Also, petition of C. R. Hughes and 30 other citizens of Quincy, Ill., in favor of House bill 184, introduced by Representative MCGREGOR, providing for the maintaining and encouragement of the raising of canary birds; to the Committee on Ways and Means.

1446. Also, petition of the American Legion Post No. 45, Galva, Ill., on February 4, favoring the adjusted compensation bill; to the Committee on Ways and Means.

1447. By Mr. McNULTY: Petition of the Federation of Jewish Social Agencies, of Trenton, N. J., against the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1448. Also, petition of the Polish Clergymen's Society, Jersey City, N. J., against the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1449. Also, petition of the Bayonne Lodge, No. 909, F. O. B. B., against the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1450. Also, petition of the Master Barbers' Mutual Aid Protective Union Association, of Newark, N. J., against the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1451. By Mr. PERLMAN: Petition of the board of directors of the American Hungarian Chamber of Commerce, meeting on February 26, 1924, opposing the passage of the Johnson immigration bill; to the Committee on Immigration and Naturalization.

1452. By Mr. YOUNG: Petition of 100 citizens of Linton, N. Dak., urging an increase in the duty on wheat from 30 to 60 cents per bushel, the repeal of the drawback provision and milling-in-bond provision of the tariff act of 1922, also urging the passage of the Wallace plan for the marketing of wheat; to the Committee on Ways and Means.

1453. Also, petition of 20 citizens of Wishek, N. Dak., urging the passage of House bill 4523; to the Committee on Ways and Means.

1454. Also, petitions of American Legion Post of Oberon, N. Dak., and petition signed by 162 citizens of Oberon and vicinity, and American Legion Post No. 118, of Gilby, N. Dak., urging the passage of the soldiers' adjusted compensation bill; to the Committee on Ways and Means.

1455. Also, petitions of S. G. Geoertson and D. A. Baertch, of Bismarck, N. Dak., and C. I. Turner and other citizens of Heaton, N. Dak., urging an increase in the duty on wheat from 30 to 60 cents per bushel, the repeal of the drawback and the milling-in-bond provision of the tariff act of 1922, also urging the passage of the Wallace plan for the exporting of surplus wheat; to the Committee on Ways and Means.

1456. Also, petition of 16 ex-service men of Kathryn, N. Dak., urging the passage of the adjusted compensation bill; to the Committee on Ways and Means.

1457. Also, petitions of 25 citizens of Beulah, N. Dak., and vicinity; 11 citizens of Mandan, N. Dak.; 10 citizens of Souris, N. Dak.; and 3 citizens of Westhope, N. Dak., urging the passage of the Norris-Sinclair bill; to the Committee on Agriculture.

1458. By Mr. YOUNG: Petition of W. R. Beyer and other citizens of Fort Totten, N. Dak., urging the passage of House bill 6896; to the Committee on the Civil Service.

SENATE.

SATURDAY, *March 1, 1924.*

(Legislative day of Friday, February 29, 1924.)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The PRESIDING OFFICER (Mr. MOSES in the chair). The Senate resumes the consideration of Senate Resolution 157.

ATTORNEY GENERAL DAUGHERTY.

The Senate resumed the consideration of Senate Resolution 157, submitted by Mr. WHEELER on February 13, as modified by him on yesterday, directing a committee to investigate the failure of the Attorney General to prosecute or defend certain criminal and civil actions wherein the Government is interested.

Mr. CURTIS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Secretary will call the roll.